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 OCTOBER 12, 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 UNION GROVE, WISCONSIN
(Racine County)

$2,800,000* GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2020C

BID OPENING: October 19, 2020, 10:00 A.M., C.T. **CONSIDERATION**: October 19, 2020, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $2,800,000* General Obligation Street Improvement Bonds, Series 2020C (the "Bonds") of the Village of Union Grove, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of street improvement projects. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: November 5, 2020

MATURITY: June 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2022	$175,000	2029	$150,000	2036	$160,000
2023	175,000	2030	150,000	2037	160,000
2024	175,000	2031	150,000	2038	160,000
2025	100,000	2032	150,000	2039	165,000
2026	100,000	2033	150,000	2040	165,000
2027	100,000	2034	155,000		
2028	100,000	2035	160,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: June 1, 2021 and semiannually thereafter.

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

MINIMUM BID: $2,765,000.

MAXIMUM BID: $2,940,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $56,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be determined by the Village.

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 UNION GROVE
VILLAGE BOARD

		Term Expires
Michael E. Aimone	Village President	April 2021
Christopher Gallagher	Village Trustee	April 2021
Adam Graf	Village Trustee	April 2022
Peter Hansen	Village Trustee	April 2021
Ryan Johnson	Village Trustee	April 2022
Gordon Svendsen	Village Trustee	April 2022
Janice Winget	Village Trustee	April 2021

ADMINISTRATION

Kerry Bennett, Village Treasurer
Michael Hawes, Village Administrator
Rebecca Wallendal, Village Clerk

PROFESSIONAL SERVICES

Timothy Pruitt, Village Attorney, Racine, 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 Union Grove, Wisconsin (the "Village") and the issuance of its $2,800,000* General Obligation Street Improvement Bonds, Series 2020C (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the sale of the Bonds ("Award Resolution") to be adopted by the Board of Trustees on October 19, 2020.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of November 5, 2020. The Bonds will mature on June 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 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 Award Resolution.

The Village may select a bank or trust company to act as paying agent (the "Paying Agent"). If a Paying Agent is selected, 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 June 1, 2029 shall be subject to optional redemption prior to maturity on June 1, 2028 or 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.

*Preliminary, subject to change.

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 being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of street improvement projects.

ESTIMATED SOURCES AND USES*

Sources			
	Par Amount of Bonds	$2,800,000	
	Estimated Interest Earnings	1,700	
	Total Sources		**$2,801,700**
Uses			
	Total Underwriter's Discount	$35,000	
	Costs of Issuance	37,250	
	Deposit to Project Fund	2,729,450	
	Total Uses		**$2,801,700**

*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.

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.

A financial obligation was filed beyond 10 business days. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL OPINION

An opinion as to the validity of the Bonds 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 Authorizing 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 (the "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 Order was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were 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 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 $83,482. 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. On September 22, 2020, Emergency Order #1 was extended through November 21, 2020.

On October 6, 2020, Emergency Order #3 was issued, which limits public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 is in effect until November 6, 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	$393,397,600
2020 Equalized Value Reduced by Tax Increment Valuation	$365,506,700
2019 Assessed Value	$338,281,700

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value[1]	Percent of Total Equalized Value
Residential	$ 290,613,500	73.873%
Commercial	79,795,200	20.284%
Manufacturing	17,281,800	4.393%
Agricultural	96,300	0.024%
Undeveloped	23,500	0.006%
Ag Forest	0	0.000%
Forest	328,500	0.084%
Other	789,700	0.201%
Personal Property	4,469,100	1.136%
Total	$ 393,397,600	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2016	$294,327,400	$306,627,000	-0.10%
2017	301,068,900	323,062,700	5.36%
2018	330,827,800	330,828,400	2.40%
2019	338,281,700	359,379,800	8.63%
2020	NA	393,397,600	9.47%

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

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value[1]	Percent of Village's Total Equalized Value
Viking Properties LLC	Apartments	$ 7,040,618	1.96%
Broadstone Roller, LLC	Manufacturing	6,806,816	1.89%
Coleman & Coleman, LLC	Manufacturing	5,339,711	1.49%
CTEC, LLC	Truck Assembly	4,748,299	1.32%
Maple Grove Shopping Center	Retail Center - Condo	4,203,329	1.17%
Oak Ridge Care Center, Inc.	Health Care	3,791,094	1.05%
Community State Bank	Bank - Financing	2,978,846	0.83%
Grove Gear - Div. Of Regal Beloit	Manufacturing	2,061,705	0.57%
15 Union Grove, LLC	Commercial (McDonald's)	1,928,864	0.54%
Village Crossings, LLC	Apartments	1,712,278	0.48%
Total		**$ 40,611,560**	**11.30%**
Village's Total 2019 Equalized Value[2]		$359,379,800	

Source: The Village.

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

[2] Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	$14,097,069

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	$869,346
Total revenue debt secured by water revenues	$3,067,925

* Preliminary, subject to change.

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

Village of Union Grove, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 11/05/2020)

	Street Improvement Bonds Series 2006A		State Trust Fund Loan		Refunding Bonds Series 2012B		Refunding Bonds Series 2015A		Community Development Bonds Series 2019A	
Dated	03/01/2006		04/29/2011		03/29/2012		06/25/2015		06/05/2019	
Amount	$1,500,000		$360,000		$6,060,000		$2,645,000		$1,080,000	
Maturity	03/01		03/15		12/01		04/01		06/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2020	0	0	0	0	430,000	60,135	0	0	0	16,200
2021	145,000	2,900	42,069	1,578	460,000	110,595	170,000	51,678	25,000	32,025
2022					350,000	100,245	175,000	48,354	25,000	31,275
2023					470,000	91,495	190,000	44,423	25,000	30,525
2024					480,000	78,100	205,000	39,723	45,000	29,475
2025					500,000	63,700	215,000	34,258	60,000	27,900
2026					520,000	48,700	220,000	28,165	65,000	26,025
2027					535,000	33,100	225,000	21,488	65,000	24,075
2028					550,000	17,050	240,000	14,100	75,000	21,975
2029							255,000	5,865	75,000	19,725
2030							45,000	765	75,000	17,475
2031									75,000	15,225
2032									75,000	12,975
2033									75,000	10,725
2034									75,000	8,475
2035									75,000	6,225
2036									85,000	3,825
2037									85,000	1,275
2038										
2039										
2040										
	145,000	2,900	42,069	1,578	4,295,000	603,120	1,940,000	288,816	1,080,000	335,400

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Village of Union Grove, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 11/05/2020)

	Taxable Community Development Bonds Series 2020A		Community Development Bonds Series 2020B		State Trust Fund Loan 1)		Street Improvement Bonds Series 2020C							
Dated	02/19/2020		02/19/2020		09/21/2020		11/05/2020							
Amount	$1,755,000		$1,315,000		$725,000		$2,800,000*							
Maturity	06/01		02/01		03/15		06/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2020	0	21,381	0	0	0	0	0	0	430,000	97,716	527,716	13,667,069	3.05%	**2020**
2021	0	42,763	0	27,300	0	0	0	47,049	842,069	315,887	1,157,955	12,825,000	9.02%	**2021**
2022	25,000	42,531	0	27,300	62,245	32,178	175,000	43,093	812,245	324,976	1,137,220	12,012,755	14.79%	**2022**
2023	50,000	41,838	50,000	26,800	74,540	19,883	175,000	41,474	1,034,540	296,436	1,330,977	10,978,215	22.12%	**2023**
2024	80,000	40,635	50,000	25,800	76,728	17,695	175,000	39,768	1,111,728	271,195	1,382,923	9,866,487	30.01%	**2024**
2025	80,000	39,095	65,000	24,650	79,078	15,345	100,000	38,368	1,099,078	243,315	1,342,393	8,767,409	37.81%	**2025**
2026	80,000	37,495	75,000	23,250	81,451	12,972	100,000	37,293	1,141,451	213,900	1,355,350	7,625,958	45.90%	**2026**
2027	80,000	35,845	75,000	21,750	83,894	10,529	100,000	36,143	1,163,894	182,929	1,346,823	6,462,064	54.16%	**2027**
2028	80,000	34,145	100,000	20,000	86,389	8,034	100,000	34,893	1,231,389	150,196	1,381,585	5,230,675	62.90%	**2028**
2029	80,000	32,335	100,000	18,000	89,003	5,420	150,000	33,193	749,003	114,538	863,540	4,481,673	68.21%	**2029**
2030	80,000	30,415	100,000	16,000	91,673	2,750	150,000	31,018	541,673	98,423	640,095	3,940,000	72.05%	**2030**
2031	105,000	28,169	100,000	14,000			150,000	28,730	430,000	86,124	516,124	3,510,000	75.10%	**2031**
2032	110,000	25,535	100,000	12,000			150,000	26,368	435,000	76,878	511,878	3,075,000	78.19%	**2032**
2033	110,000	22,785	100,000	10,000			150,000	23,893	435,000	67,403	502,403	2,640,000	81.27%	**2033**
2034	115,000	19,916	100,000	7,875			155,000	21,261	445,000	57,528	502,528	2,195,000	84.43%	**2034**
2035	125,000	16,794	100,000	5,625			160,000	18,465	460,000	47,109	507,109	1,735,000	87.69%	**2035**
2036	125,000	13,481	100,000	3,375			160,000	15,505	470,000	36,186	506,186	1,265,000	91.03%	**2036**
2037	125,000	10,106	100,000	1,125			160,000	12,385	470,000	24,891	494,891	795,000	94.36%	**2037**
2038	305,000	4,194					160,000	9,105	465,000	13,299	478,299	330,000	97.66%	**2038**
2039							165,000	5,610	165,000	5,610	170,610	165,000	98.83%	**2039**
2040							165,000	1,898	165,000	1,898	166,898	0	100.00%	**2040**
	1,755,000	539,458	1,315,000	284,850	725,000	124,805	2,800,000	545,507	14,097,069	2,726,433	16,823,502			

1) A portion of the debt service on the Loan is reimbursed by the Village of Yorkville.

* Preliminary, subject to change.

Village of Union Grove, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 11/05/2020)

	Sewer System Revenue Bonds (CWFL) Series 2002							
Dated	06/12/2002							
Amount	$6,513,550							
Maturity	05/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2021	428,458	19,005	428,458	19,005	447,463	440,888	49.29%	**2021**
2022	440,888	6,395	440,888	6,395	447,283	0	100.00%	**2022**
	869,346	25,400	869,346	25,400	894,746			

Village of Union Grove, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 11/05/2020)

	Water System Revenue Bonds (SDWFL) Series 2005		Water System Revenue Bonds (SDWFL) Series 2007		Water System Revenue Bonds (SDWFL) Series 2009		Waterworks System Revenue Bonds Series 2012A							
Dated	11/15/2005		04/25/2007		12/09/2009		03/29/2012							
Amount	$1,486,390		$516,994		$603,676		$3,150,000							
Maturity	05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021	84,194	9,443	29,738	4,331	32,598	8,282	150,000	69,360	296,531	91,415	387,946	2,771,395	9.67%	**2021**
2022	86,185	7,428	30,474	3,585	33,468	7,401	155,000	64,785	305,128	83,199	388,327	2,466,267	19.61%	**2022**
2023	88,224	5,365	31,229	2,822	34,361	6,496	160,000	60,060	313,813	74,743	388,556	2,152,454	29.84%	**2023**
2024	90,310	3,254	32,002	2,039	35,278	5,567	165,000	55,103	322,589	65,963	388,552	1,829,864	40.35%	**2024**
2025	92,446	1,093	32,794	1,238	36,219	4,613	170,000	49,825	331,458	56,769	388,227	1,498,406	51.16%	**2025**
2026			33,605	416	37,185	3,634	170,000	44,343	240,791	48,392	289,183	1,257,615	59.01%	**2026**
2027					38,177	2,629	175,000	38,649	213,177	41,277	254,455	1,044,438	65.96%	**2027**
2028					39,196	1,597	175,000	32,699	214,196	34,295	248,491	830,242	72.94%	**2028**
2029					40,242	537	180,000	26,440	220,242	26,977	247,219	610,000	80.12%	**2029**
2030							195,000	19,593	195,000	19,593	214,593	415,000	86.47%	**2030**
2031							200,000	12,185	200,000	12,185	212,185	215,000	92.99%	**2031**
2032							215,000	4,193	215,000	4,193	219,193	0	100.00%	**2032**
	441,359	26,583	189,842	14,431	326,725	40,755	2,110,000	477,233	3,067,925	559,002	3,626,927			

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	$ 393,397,600
Multiply by 5%	0.05
Statutory Debt Limit	$ 19,669,880
Less: General Obligation Debt (includes the Bonds)*	(14,097,069)
Unused Debt Limit*	$ 5,572,811

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2020 Equalized Value[2]	% In Village	Total G.O. Debt[3]	Village's Proportionate Share
Racine County	$ 17,999,659,200	2.1856%	$166,635,000	$ 3,641,975
Gateway Technical College District	52,083,834,750	0.7553%	58,220,000	439,736
Union Grove J1 School District	479,470,435	82.0484%	9,115,000	7,478,712
Union High School District of Union Grove	1,681,646,203	23.3936%	8,595,000	2,010,680
Village's Share of Total Overlapping Debt				$ 13,571,102

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

[2] Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $393,397,600	Debt/ Per Capita 5,227[1]
Total General Obligation Debt (includes the Bonds)*	$ 14,097,069	3.58%	$ 2,696.97
Village's Share of Total Overlapping Debt	13,571,102	3.45%	2,596.35
Total*	$ 27,668,171	7.03%	$ 5,293.32

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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

[1] Estimated 2020 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	$1,777,216	100%	$6.10
2016/17	1,785,446	100%	6.14
2017/18	1,817,605	100%	6.04
2018/19	1,814,919	100%	5.92
2019/20	1,858,160	100%	5.57

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 this year or in future years. 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	14.14	3.78	6.10	0.18	$24.20
2016/17	13.11	3.73	6.14	0.18	23.16
2017/18	12.83	3.66	6.04	0.00	22.53
2018/19	13.50	3.54	5.92	0.00	22.96
2019/20	13.48	3.42	5.57	0.00	22.47

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

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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.

the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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

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

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1893 and is governed by a seven-member Board of Trustees, of which the Village President is a voting member. All are elected to staggered two-year terms. The appointed Administrator, Clerk and Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 14 full-time, 19 part-time, and three 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 $53,297,$54,234 and $59,111, 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 asset 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 2018, the Village reported a liability of $194,195 for its proportionate share of the net pension liability of the WRS. The net pension asset was measured as of December 31, 2017 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00545849% of the aggregate WRS net pension asset as of December 31, 2017.

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 has no active collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

The Village offers Other Post Employment Benefits ("OPEB") based on age and service requirements. The Village currently has 12 total eligible participants, nine of which are not yet fully eligible. As of December 31, 2017, the most recent year for which data is available, the Village had a total OPEB liability of $49,273.

Source: The Village's most recent actuarial study.

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 December 31, 2019)

Fund	Total Cash and Investments
General	$ 634,459
Debt Service Fund	1,041
Impact Fees	114,166
TID No. 3 (Debt Service and Capital Projects)	875,034
Library	186,245
Water Utility	1,885,631
Sewer Utility	2,861,935
Recreation and Parks	21,464
Storm Water	593,990
TID No. 4 (Debt Service and Capital Projects)	896,994
Capital Improvement Fund	859,922
Revolving Loan Fund	279,562
Total Funds on Hand	$ 9,210,443

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
Water			
Total Operating Revenues	$ 1,020,751	$ 1,008,710	$ 1,010,018
Less: Operating Expenses	(890,118)	(671,519)	(776,797)
Operating Income	$ 130,633	$ 337,191	$ 233,221
Plus: Depreciation	270,534	272,181	273,242
Interest Income	15,650	32,715	37,300
Revenues Available for Debt Service	$ 416,817	$ 642,087	$ 543,763
Sewer			
Total Operating Revenues	$ 1,546,591	$ 1,506,565	$ 1,522,945
Less: Operating Expenses	(1,100,761)	(1,148,119)	(1,185,731)
Operating Income	$ 445,830	$ 358,446	$ 337,214
Plus: Depreciation	503,894	510,878	513,741
Interest Income	8,680	22,262	25,709
Revenues Available for Debt Service	$ 958,404	$ 891,586	$ 876,664
Stormwater			
Total Operating Revenues	$ 251,331	$ 251,822	$ 253,292
Less: Operating Expenses	(257,825)	(263,228)	(291,994)
Operating Income	$ (6,494)	$ (11,406)	$ (38,702)
Plus: Depreciation	119,046	121,511	125,411
Interest Income	2,748	6,216	7,515
Revenues Available for Debt Service	$ 115,300	$ 116,321	$ 94,224

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.

	FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT					
	2016 Audited	**2017 Audited**	**2018 Audited**	**2019 Audited**	**2020 Budget**
Revenues					
Taxes and special assessments	$1,242,568	$1,295,408	$1,302,909	$1,344,852	$1,324,904
Intergovernmental	746,160	738,406	711,109	714,252	674,936
Licenses and permits	143,234	126,129	189,026	285,192	221,323
Fines, forfeitures and penalties	58,117	46,182	77,724	78,847	65,000
Public charges for services	73,177	60,550	54,871	1,056	1,450
Investment Income	4,179	12,350	26,565	38,114	26,100
Miscellaneous general revenues	83,702	76,765	68,214	83,448	85,858
Total Revenues	$2,351,137	$2,355,790	$2,430,418	$2,545,761	$2,399,571
Expenditures					
Current:					
General government	$650,559	$566,530	$608,963	$575,196	$617,577
Public safety	877,562	879,862	929,928	1,011,550	988,933
Public works	735,093	745,534	763,641	760,475	742,522
Health and social services	41,494	40,222	41,757	47,321	51,858
Culture and recreation	54,863	67,472	52,309	0	39,991
Conservation and development	0	0	247,179	43,292	19,000
Capital Outlay	0	10,550	0	0	0
Total Expenditures	$2,359,571	$2,310,170	$2,643,777	$2,437,834	$2,459,881
Excess of revenues over (under) expenditures	($8,434)	$45,620	($213,359)	$107,927	($60,309)
Other Financing Sources (Uses)					
Operating transfers in	$192,531	$188,753	$198,825	$195,293	$203,309
Operating transfers out	($140,000)	($143,000)	($308,176)	($636,818)	($143,000)
Total Other Financing Sources (Uses)	52,531	45,753	($109,351)	($441,525)	60,309
Net Changes in Fund Balances	$44,097	$91,373	($322,710)	($333,598)	($0)
General Fund Balance January 1	$1,155,297	$1,199,394	$1,290,767	$968,057	$634,459
Prior Period Adjustment	0	0		0	0
General Fund Balance December 31	$1,199,394	$1,290,767	$968,057	$634,459	$634,459
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$377,411	$166,254	$26,767	$25,001	
Restricted	0	0	0	0	
Committed	0	0	0	0	
Assigned	192,531	188,753	198825	0	
Unassigned	629,452	935,760	742,465	609,458	
Total	$1,199,394	$1,290,767	$968,057	$634,459	

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 4,915 and a current estimated population of 5,227 comprises an area of 1,287 acres and is located approximately 11 miles west of the City of Racine and 30 miles south of Milwaukee.

LARGER EMPLOYERS[1]

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Southern Wisconsin Center for Developmentally Disabled	Developmentally Disabled Institution	400
Grove Gear	Speed Reducers for Industrial Applications	200
Shepherds Home & School	Residential & Vocational Facility for Adults with Mental Disabilities	130
Robert E. Ellsworth Correctional Center	Minimum security prison	119
Oak Ridge Care Center (Adobe)	Nursing Home	99[2]
Union Grove Elementary	Education	96
Union Grove Union High School	Education	90
Coleman Tool and Manufacturing Corp	Welding	84
American Roller Company	Manufacture Industrial Rollers	83
Community State Bank	Bank	60

Source: *ReferenceUSA, written and telephone survey (October 2020), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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[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").

[2] Oak Ridge Care center has 112 & Timber Oaks has 23 employees.

BUILDING PERMITS

	2016	2017	2018	2019	2020[1]
New Single Family Homes					
No. of building permits	4	1	1	0	12
Valuation	$813,831	$150,000	$223,000	$0	$3,946,199
New Multiple Family Buildings					
No. of building permits	4	0	0	5	3
Valuation	$600,000	$0	$0	$9,686,700	$6,059,520
New Commercial/Industrial					
No. of building permits	1	1	0	1	0
Valuation	$600,000	$100,000	$0	$75,000	$0
All Building Permits *(including additions and remodelings)*					
No. of building permits	209	226	194	295	310
Valuation	$5,151,291	$2,105,920	$4,284,817	$44,910,619	$11,712,435

Source: The Village.

[1] As of September 24, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census		4,322
2010 U.S. Census		4,915
2020 Estimated Population		5,227
Percent of Change 2000 - 2010	+	13.72%

Income and Age Statistics

	The Village	Racine County	State of Wisconsin	United States
2018 per capita income	$32,928	$30,386	$32,018	$32,621
2018 median household income	$66,880	$59,749	$59,209	$60,293
2018 median family income	$77,539	$73,571	$75,313	$73,965
2018 median gross rent	$890	$855	$837	$1,023
2018 median value owner occupied units	$171,500	$169,900	$173,600	$204,900
2018 median age	37.6 yrs.	40.1 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	102.84%	100.94%
Village % of 2018 median family income	102.96%	104.83%

Housing Statistics

	The Village		
	2010	2018	Percent of Change
All Housing Units	1,940	1,955	0.77%

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	Racine County	Racine County	State of Wisconsin
2016	94,975	4.9%	4.0%
2017	95,664	4.0%	3.3%
2018	95,551	3.6%	3.0%
2019	94,556	4.1%	3.3%
2020, August[1]	93,306	6.9%	6.1%

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 UNION GROVE

Union Grove, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF UNION GROVE

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VILLAGE OF UNION GROVE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Union Grove
Union Grove, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Union Grove, 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 Union Grove'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. 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 relevant to the Village of Union Grove'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 Union Grove's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Union Grove, 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.

To the Village Board
Village of Union Grove

Emphasis of Matters

As discussed in Note I, the Village of Union Grove adopted the provisions of GASB Statement No. 84, *Fiduciary Activities,* effective January 1, 2019. Our opinions are not modified with respect to this matter.

As discussed in Note I, the Village of Union Grove adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Union Grove'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.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
June 29, 2020

VILLAGE OF UNION GROVE

STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business-type Activities	Total	Community Development Authority
ASSETS				
Cash and investments	$ 2,437,326	$ 3,385,707	$ 5,823,033	$ -
Receivables				
Taxes	2,438,929	-	2,438,929	-
Accounts	106,522	541,255	647,777	-
Special assessments	859	-	859	-
Loans	122,626	-	122,626	-
Inventories and prepaid items	24,142	28,962	53,104	-
Property held for resale	-	81,713	81,713	-
Restricted assets				
Cash and investments	-	1,955,849	1,955,849	-
Capital assets				
Land	627,253	131,278	758,531	-
Construction in progress	18,182	-	18,182	-
Capital assets, being depreciated	5,892,136	14,689,569	20,581,705	-
Total Assets	11,667,975	20,814,333	32,482,308	-
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	377,514	154,424	531,938	-
LIABILITIES				
Accounts payable	337,938	192,121	530,059	-
Accrued liabilities and deposits	57,155	27,303	84,458	-
Noncurrent Liabilities				
Due within one year	773,826	794,399	1,568,225	-
Due in more than one year	5,675,756	5,607,944	11,283,700	-
Total Liabilities	6,844,675	6,621,767	13,466,442	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	2,450,131	805,888	3,256,019	-
Pension related items	191,895	75,459	267,354	-
Total Deferred Inflows of Resources	2,642,026	881,347	3,523,373	-
NET POSITION				
Net investment in capital assets	839,296	8,532,469	9,371,765	-
Restricted for				
Debt service	-	694,511	694,511	-
Equipment replacement	-	1,238,023	1,238,023	-
Revolving loan fund	402,188	-	402,188	-
Library	186,245	-	186,245	-
TIF	1,202,191	-	1,202,191	-
Unrestricted (Deficit)	(71,132)	3,000,640	2,929,508	-
TOTAL NET POSITION	$ 2,558,788	$ 13,465,643	$ 16,024,431	$ -

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Totals	Component Unit: Community Development Authority
Primary Government								
Governmental Activities								
General government	$ 631,283	$ 92,977	$ 51,651	$ -	$ (486,655)	$ -	$ (486,655)	$ -
Public safety	1,025,330	316,951	14,453	-	(693,926)	-	(693,926)	-
Public works	1,289,416	-	248,431	-	(1,040,985)	-	(1,040,985)	-
Health and human services	47,321	1,056	12,642	-	(33,623)	-	(33,623)	-
Culture, education and recreation	334,712	97,108	137,673	100,000	69	-	69	-
Conservation and development	2,050,800	-	-	-	(2,050,800)	-	(2,050,800)	-
Interest and fiscal charges	216,295	-	-	-	(216,295)	-	(216,295)	-
Total Governmental Activities	5,595,157	508,092	464,850	100,000	(4,522,215)	-	(4,522,215)	-
Business-type Activities								
Water utility	882,048	1,010,018	-	-	-	127,970	127,970	-
Sewer utility	1,276,801	1,522,945	-	425,442	-	671,586	671,586	-
Stormwater utility	291,994	253,292	-	-	-	(38,702)	(38,702)	-
Total Business-type Activities	2,450,843	2,786,255	-	425,442	-	760,854	760,854	-
Total Primary Government	$ 8,046,000	$ 3,294,347	$ 464,850	$ 525,442	(4,522,215)	760,854	(3,761,361)	-
Component Unit								
Community Development Authority	$ 60,700	$ -	$ 32,183	$ -	-	-	-	(28,517)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					1,344,371	-	1,344,371	-
Property taxes, levied for debt service					489,514	-	489,514	-
Property taxes, levied for TIF districts					559,758	-	559,758	-
Other taxes					9,867	-	9,867	-
Intergovernmental revenues not restricted to specific programs					398,811	-	398,811	-
Investment income					80,833	70,524	151,357	2,111
Gain on sale of capital assets					3,000	-	3,000	-
Miscellaneous					122,014	3,101	125,115	-
Total General Revenues					3,008,168	73,625	3,081,793	2,111
Transfers					195,293	(195,293)	-	-
Total General Revenues and Transfers					3,203,461	(121,668)	3,081,793	2,111
Change in Net Position					(1,318,754)	639,186	(679,568)	(26,406)
NET POSITION - Beginning of Year					3,877,542	12,826,457	16,703,999	26,406
NET POSITION - END OF YEAR					$ 2,558,788	$ 13,465,643	$ 16,024,431	$ -

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	General Debt Service Fund	TID No. 4 Debt Service Fund	TID No. 4 Capital Projects Fund	TID No.5 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 30,086	$ 1,041	$ -	$ -	$ -	$ 2,406,199	$ 2,437,326
Receivables							
Taxes	1,309,953	497,372	69,035	-	-	562,569	2,438,929
Accounts	78,100	-	-	28,422	-	-	106,522
Special assessments	859	-	-	-	-	-	859
Loans	-	-	-	-	-	122,626	122,626
Due from other funds	754,137	-	-	868,572	-	-	1,622,709
Prepaid items	24,142	-	-	-	-	-	24,142
TOTAL ASSETS	$ 2,197,277	$ 498,413	$ 69,035	$ 896,994	$ -	$ 3,091,394	$ 6,753,113
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)							
Liabilities							
Accounts payable	$ 236,512	$ -	$ -	$ -	$ 12,677	$ 88,749	$ 337,938
Accrued liabilities	20,151	-	-	-	-	2,750	22,901
Due to other funds	-	-	-	-	1,471,668	151,041	1,622,709
Total Liabilities	256,663	-	-	-	1,484,345	242,540	1,983,548
Deferred inflows of resources							
Unearned revenues	1,306,155	497,372	69,035	-	-	577,569	2,450,131
Unavailable revenues	-	-	-	-	-	122,626	122,626
Total Deferred Inflows of Resources	1,306,155	497,372	69,035	-	-	700,195	2,572,757
Fund Balances (Deficit)							
Nonspendable	25,001	-	-	28,422	-	-	53,423
Restricted	-	1,041	-	868,572	-	1,476,471	2,346,084
Assigned	-	-	-	-	-	859,922	859,922
Unassigned (deficit)	609,458	-	-	-	(1,484,345)	(187,734)	(1,062,621)
Total Fund Balances (Deficit)	634,459	1,041	-	896,994	(1,484,345)	2,148,659	2,196,808
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)	$ 2,197,277	$ 498,413	$ 69,035	$ 896,994	$ -	$ 3,091,394	$ 6,753,113

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2019

Total Fund Balances - Governmental Funds	$ 2,196,808
Amounts reported for governmental activites 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. See Note II. A.	6,537,571
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	122,626
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	377,514
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(191,895)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.	(6,483,836)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,558,788

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	General Fund	General Debt Service Fund	TID No. 4 Debt Service Fund	TID No. 4 Capital Projects Fund	TID No.5 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 1,344,852	$ 489,514	$ 170,023	$ -	$ -	$ 399,602	$ 2,403,991
Intergovernmental	714,252	-	-	6,891	-	228,699	949,842
Licenses and permits	285,192	-	-	-	-	76,345	361,537
Fines, forfeitures and penalties	78,847	-	-	-	-	-	78,847
Public charges for services	1,056	-	-	-	-	69,477	70,533
Investment income	38,114	-	-	32,729	-	9,509	80,352
Micellaneous revenues	83,448	-	-	-	18,571	36,214	138,233
Total Revenues	2,545,761	489,514	170,023	39,620	18,571	819,846	4,083,335
EXPENDITURES							
Current							
General government	575,196	-	-	-	-	-	575,196
Public safety	1,011,550	-	-	-	-	-	1,011,550
Public works	760,475	-	-	-	-	-	760,475
Health and human services	47,321	-	-	-	-	-	47,321
Culture, recreation and education	-	-	-	-	-	362,196	362,196
Conservation and development	43,292	-	-	34,497	823,604	270,246	1,171,639
Capital Outlay	-	-	-	1,360	877,801	302,273	1,181,434
Debt Service							
Principal	-	407,237	175,000	-	-	135,000	717,237
Interest and fiscal charges	-	81,785	69,615	-	41,476	24,840	217,716
Total Expenditures	2,437,834	489,022	244,615	35,857	1,742,881	1,094,555	6,044,764
Excess (deficiency) of revenues over expenditures	107,927	492	(74,592)	3,763	(1,724,310)	(274,709)	(1,961,429)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	5,500	5,500
Debt issued	-	-	-	-	1,080,000	-	1,080,000
Premium on debt issued	-	-	-	-	15,348	-	15,348
Transfers in	195,293	-	74,592	-	-	636,818	906,703
Transfers out	(636,818)	-	-	(74,592)	-	-	(711,410)
Total Other Financing Sources (Uses)	(441,525)	-	74,592	(74,592)	1,095,348	642,318	1,296,141
Net change in fund balances	(333,598)	492	-	(70,829)	(628,962)	367,609	(665,288)
FUND BALANCES (DEFICIT) - Beginning of Year	968,057	549	-	967,823	(855,383)	1,781,050	2,862,096
FUND BALANCES (DEFICIT) - END OF YEAR	$ 634,459	$ 1,041	$ -	$ 896,994	$ (1,484,345)	$ 2,148,659	$ 2,196,808

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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	$ (665,288)
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 activities 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 reported in the government-wide financial statements as capital or other assets	1,181,434
Less: Some items reported as capital outlay were not capitalized	(962,575)
Depreciation is reported in the government-wide statements	(554,162)
Net book value of assets retired	(2,500)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	
Revolving loans	(5,225)
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	(1,080,000)
Principal repaid	717,237
Governmental funds report premiums and discounts associated with issuance of long term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the statement of activities.	
Premium on debt isued	(15,348)
Amoritization of premium	498
Some expenses reported 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	124,633
Accrued interest on debt	922
Net pension liability	(252,628)
Deferred outflows of resources related to pensions	157,788
Deferred inflows of resources related to pensions	36,460
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (1,318,754)

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	Water Utility	Sewer Utility	Stormwater Utility	Totals
ASSETS				
Current Assets				
Cash and investments	$ 1,302,363	$ 1,489,354	$ 593,990	$ 3,385,707
Receivables				
Customers	156,392	203,210	63,169	422,771
Other	-	118,484	-	118,484
Materials and supplies	28,962	-	-	28,962
Restricted Assets				
Cash and investments	209,113	283,802	-	492,915
Total Current Assets	1,696,830	2,094,850	657,159	4,448,839
Non-Current Assets				
Restricted Assets				
Cash and investments	374,155	1,088,779	-	1,462,934
Capital Assets				
Land	29,955	440	100,883	131,278
Other capital assets	11,167,963	15,415,663	3,217,312	29,800,938
Less: Accumulated depreciation/amortization	(3,997,449)	(9,106,424)	(2,007,496)	(15,111,369)
Other Assets				
Property held for future use	12,713	-	-	12,713
Preliminary survey and investigation	55,000	14,000	-	69,000
Total Non-Current Assets	7,642,337	7,412,458	1,310,699	16,365,494
Total Assets	9,339,167	9,507,308	1,967,858	20,814,333
DEFERRED OUTLFLOWS OF RESOURCES				
Pension related items	77,081	77,343	-	154,424

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	Water Utility	Sewer Utility	Stormwater Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	$ 20,329	$ 62,333	$ 109,459	$ 192,121
Accrued liabilities	-	3,988	-	3,988
Current portion of general obligation debt	-	90,000	-	90,000
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	288,020	416,379	-	704,399
Accrued interest payable	17,099	6,216	-	23,315
Total Current Liabilities	325,448	578,916	109,459	1,013,823
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	3,067,918	869,346	-	3,937,264
General obligation bonds	-	1,570,000	-	1,570,000
Net pension liability	30,425	30,117		60,542
Compensated absences	23,760	22,994	6,669	53,423
Unamortized debt discount	(6,275)	(7,010)	-	(13,285)
Total Noncurrent Liabilities	3,115,828	2,485,447	6,669	5,607,944
Total Liabilities	3,441,276	3,064,363	116,128	6,621,767
DEFERRED INFLOWS OF RESOURCES				
Pension related items	37,614	37,845	-	75,459
Unearned revenue	805,888	-	-	805,888
Total Deferred Inflows of Resources	843,502	37,845	-	881,347
NET POSITION				
Net investment in capital assets	3,850,806	3,370,964	1,310,699	8,532,469
Restricted for				
Debt service	416,925	277,586	-	694,511
Equipment replacement	149,244	1,088,779	-	1,238,023
Unrestricted	714,495	1,745,114	541,031	3,000,640
TOTAL NET POSITION	$ 5,131,470	$ 6,482,443	$ 1,851,730	$ 13,465,643

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
OPERATING REVENUES	$ 1,010,018	$ 1,522,945	$ 253,292	$ 2,786,255
OPERATING EXPENSES				
Operation and maintenance	503,555	671,990	166,583	1,342,128
Depreciation	273,242	513,741	125,411	912,394
Total Operating Expenses	776,797	1,185,731	291,994	2,254,522
Operating Income (Loss)	233,221	337,214	(38,702)	531,733
NONOPERATING REVENUES (EXPENSES)				
Investment income	37,300	25,709	7,515	70,524
Miscellaneous income	77	-	-	77
Insurance recovery	-	-	3,024	3,024
Interest expense	(104,826)	(90,534)	-	(195,360)
Amortization of debt discount	(425)	(536)	-	(961)
Total Nonoperating Revenues (Expenses)	(67,874)	(65,361)	10,539	(122,696)
Income (Loss) Before Contributions and Transfers	165,347	271,853	(28,163)	409,037
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	425,442	-	425,442
Transfers out	(195,293)	-	-	(195,293)
Total Contributions and Transfers	(195,293)	425,442	-	230,149
Change in Net Position	(29,946)	697,295	(28,163)	639,186
NET POSITION – Beginning of Year	5,161,416	5,785,148	1,879,893	12,826,457
NET POSITION – END OF YEAR	$ 5,131,470	$ 6,482,443	$ 1,851,730	$ 13,465,643

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	$ 695,293	$ 1,599,570	$ 256,584	$ 2,551,447
Received from municipality of services	314,599	-	-	314,599
Paid to suppliers for goods and services	(343,508)	(477,120)	(84,143)	(904,771)
Paid to employees for services	(163,910)	(167,086)	(79,696)	(410,692)
Net Cash Flows From Operating Activities	502,474	955,364	92,745	1,550,583
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	37,300	25,709	7,515	70,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(195,293)	-	-	(195,293)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(284,602)	(484,640)	-	(769,242)
Interest paid	(105,943)	(92,624)	-	(198,567)
Acquisition and construction of capital assets	(113,156)	(2,411)	(7,300)	(122,867)
Hook-up fees received	-	425,442	-	425,442
Net Cash Flows From Capital and Related Financing Activities	(503,701)	(154,233)	(7,300)	(665,234)
Net Change in Cash and Cash Equivalents	(159,220)	826,840	92,960	760,580
CASH AND CASH EQUIVALENTS - Beginning of Year	2,044,851	2,035,095	501,030	4,580,976
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,885,631	$ 2,861,935	$ 593,990	$ 5,341,556

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 233,221	$ 337,214	$ (38,702)	531,733
Nonoperating revenue	77	-	3,024	3,101
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities				
Depreciation	273,242	513,741	125,411	912,394
Depreciation charged to other funds	7,953	(7,953)	-	-
Change in Assets, deferred outflows, liabilities, and defferred outflows				
Customer accounts receivable	8,469	3,503	268	12,240
Other accounts receivable	643	73,122	-	73,765
Due from other funds	-	-	-	-
Accounts payable	(366)	24,614	1,598	25,846
Accrued Wages	-	-	-	-
Accrued Sick	(11,881)	2,663	1,146	(8,072)
Unearned revenues	(17,268)	-	-	(17,268)
Pension related deferrals and assets	8,384	8,460	-	16,844
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 502,474	$ 955,364	$ 92,745	$ 1,550,583
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	$ 1,302,363	$ 1,489,354	$ 593,990	$ 3,385,707
Restricted cash and investments	583,268	1,372,581	-	1,955,849
CASH AND CASH EQUIVALENTS	$ 1,885,631	$ 2,861,935	$ 593,990	$ 5,341,556
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2019

	Custodial Fund Tax Collection Fund
ASSETS	
Cash and investments	$ 4,137,974
Taxes receivable	1,502,981
Total Assets	5,640,955
LIABILITIES	
Due to other taxing units	5,640,955
NET POSITION	
Total Net Position	$ -

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
As of December 31, 2019

	Custodial Fund Tax Collection Fund
ADDITIONS	
Tax collections	$ 3,775,906
DEDUCTIONS	
Payments to overlying districts	3,775,906
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying notes to financial statements.

VILLAGE OF UNION GROVE

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

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Union Grove, 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 unit. 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 primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Union Grove Community Development Authority

The government-wide financial statements include the Union Grove Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the CDA, and also create a potential financial benefit to or burden on the Village. See Note IV.H. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2019. The CDA does not issue separate financial statements.

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

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.

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.

VILLAGE OF UNION GROVE

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.)

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.
General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
Tax Incremental District (TID) No. 4 Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of TID general long-term debt principal, interest, and related costs.
Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of TID general long-term debt principal, interest, and related costs.
Tax Incremental District (TID) No. 5 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.

The Village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system.
Sewer Utility - accounts for operations of the sewer system.
Stormwater Utility - accounts for operations of the stormwater system.

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 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).

Revolving Loan Fund
Library Fund
Impact Fee Fund
Recreation and Parks Fund

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Tax Incremental District (TID) No. 3
Tax Incremental District (TID) No. 5

Capital Projects Funds - 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.

Tax Incremental District (TID) No. 3
Tax Incremental District (TID) No. 6
Capital Improvements Fund

In addition, the Village reports the following fund types:

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

VILLAGE OF UNION GROVE

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

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 water and sewer 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.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

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

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

Fund Financial Statements (cont.)

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.

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 Proprietary Funds 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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.

VILLAGE OF UNION GROVE

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

1. Deposits and Investments (cont.)

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.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments and collateralization. The policy does not address the other risks described by GASB No. 40. The policy requires collateralization on two types of investments: certificates of deposit and time deposits. The village is not in compliance with this requirement, as it has not collateralized all of its investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the Village 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

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

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 water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll.

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.

The Village has received federal grant funds for economic development loan programs to various businesses and individuals. The Village records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the Village's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

VILLAGE OF UNION GROVE

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

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 $1,000 for general capital assets and $1,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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	15-75 Years
Land improvements	15-75 Years
Machinery and equipment	3-20 Years
Utility system	4-77 Years
Infrastructure	25-60 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. 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.

7. 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.

VILLAGE OF UNION GROVE

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

8. 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, a net pension liability, and accrued compensated absences.

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.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

9. 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.

10. Unearned Revenues

During 2016, the water utility entered into an agreement provided an easement, assignment of existing water tower lease contracts and the rights to future tower lease revenue. the utility received $860,573 as a lump sum payment.

Existing contracts had remaining terms of three to six years. Annual revenue under these agreement was approximately $60,000. Future revenues cannot be determined due to changing conditions in the telecommunications industry.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 UNION GROVE

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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 Village Board has, by resolution, adopted a financial policy authorizing the Clerk-Treasurer to assign amounts for a specific purpose. 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.

The Village has a formal fund balance policy. That policy is to maintain unassigned general fund balance of 25% of current general fund expenditures. The Village is at 37% as of December 31, 2019. Unassigned general fund balance that exceeds this range shall be used to clear other fund deficits and the remainder is to be transferred to capital improvement funds.

See Note IV. G. for further information.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

12. Pension

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

13. Basis for Existing Rates

Charges for Services

Billings are rendered and recorded quarterly based on metered usage for water and sewer and Equivalent Runoff Units (ERUs) for stormwater; the utilities do not accrue revenues beyond billing dates.

Current water rates were approved by the PSCW effective March 1, 2018.

Current sewer rates were approved by the utility commission effective January 1, 2010.

Current stormwater rates were approved by the utility commission effective January 1, 2011.

VILLAGE OF UNION GROVE

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

NOTE II - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The details of this reconciliation include the following items.

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Land	$	627,253
Buildings and improvements		2,179,494
Machinery and equipment		1,819,124
Roads		13,179,802
Construction in progress		18,182
Less: Accumulated depreciation		(11,286,284)
Combined Adjustment for Capital Assets	$	6,537,571

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds and notes payable	$	6,268,751
Compensated absences		32,327
Accrued interest		34,254
Unamortized premium		14,851
Net pension liability		133,653
Combined Adjustment for Long-Term Liabilities	$	6,483,836

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

A budget has been adopted for the General Fund, Revolving Loan Special Revenue Fund, Library Special Revenue Fund, the Debt Service Funds, and the Capital Project Funds. A budget has not been formally adopted for Impact Fee Special Revenue Fund, Recreation and Parks Special Revenue Fund and Tax Incremental District #6 Capital Project Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made. 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 board action.

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

B. Excess Expenditures and Other Financing Uses Over Appropriations

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
TID No. 4 Capital Projects	$ 49,150	$ 110,449	$ 61,299
Library	286,156	310,496	24,340
TID No. 5 Debt Service	-	15,840	15,840
TID No. 3 Capital Projects	59,650	95,800	36,150
TID No. 5 Capital Projects	350	1,742,880	1,742,530
Revolving Loan	1,538	1,549	11
Capital Improvement Capital Projects	240,000	297,993	57,993

The Village controls expenditures at the function level in the General Fund. For all other funds, the Village controls expenditures at the fund level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

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

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
Tax Incremental Financing District No. 5 Debt Service Fund	$ 14,837	Debt payments were higher than increments collected
Tax Incremental Financing District No. 5 Capital Projects Fund	1,484,345	Expenditures exceeded revenues
Tax Incremental Financing District No. 6 Capital Projects Fund	172,897	Expenditures exceeded 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. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

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 IV - 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	Statement Balances	Associated Risks
Deposits	$ 5,761,320	$ 5,568,110	Custodial credit
LGIP	6,155,536	6,155,536	Credit
Total Deposits and Investments	$ 11,916,856	$ 11,723,646	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 5,823,033
Restricted cash and investments	1,955,849
Per statement of net position - fiduciary fund	
Tax Collection Fund	4,137,974
Total Deposits and Investments	$ 11,916,856

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 not been considered in computing custodial credit risk.

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, $5,068,110 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 5,068,110

VILLAGE OF UNION GROVE

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

NOTE IV - 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.

The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

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

B. Receivables

Receivables as of year end for the government's individual major funds, nonmajor funds and agency funds in the aggregate. All amounts are expected to be collected within one year except for $859 of special assessments, $28,422 of accounts and $114,241 of loan receivables, respectively.

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	Unavailable
Property taxes receivable for subsequent year	$ 2,450,131	$ -
Loans	-	122,626
Total Unearned/Unavailable Revenue for Governmental Funds	$ 2,450,131	$ 122,626

For economic development loans, the Village is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2019, the Village has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

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

C. Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Bond Redemption Account

Used to segregate resources accumulated for debt service payments over the next twelve months. This account was underfunded as of December 31, 2019.

Depreciation Account

Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Bond Reserve Account

Used to report resources set aside to make up potential future deficiencies in the redemption account.
Following is a list of restricted assets at December 31, 2019:

Restricted Assets	
Redemption account	$ 492,915
Reserve account	224,911
Depreciation account	149,244
Replacement account	1,088,779
Total Restricted Assets	1,955,849
Less: Current Liabilities Payable From Restricted Assets	(23,315)
Total Restricted Net Position as Reported	$ 1,932,534

VILLAGE OF UNION GROVE

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

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

D. 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	$ 627,253	$ -	$ -	$ 627,253
Construction in progress	13,182	5,000	-	18,182
Total Capital Assets Not Being Depreciated	640,435	5,000	-	645,435
Capital assets being depreciated				
Buildings and improvements	2,179,494	-	-	2,179,494
Machinery and equipment	1,661,883	213,859	56,618	1,819,124
Roads	13,179,802	-	-	13,179,802
Total Capital Assets Being Depreciated	17,021,179	213,859	56,618	17,178,420
Total Capital Assets	17,661,614	218,859	56,618	17,823,855
Less: Accumulated depreciation for				
Buildings and improvements	(705,299)	(51,482)	-	(756,781)
Machinery and equipment	(1,212,870)	(51,989)	54,118	(1,210,741)
Roads	(8,868,071)	(450,691)	-	(9,318,762)
Total Accumulated Depreciation	(10,786,240)	(554,162)	54,118	(11,286,284)
Net Capital Assets Being Depreciated	6,234,939	(340,303)	2,500	5,892,136
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 6,875,374	$ (335,303)	$ 2,500	$ 6,537,571

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 13,945
Public safety	13,780
Public works, which includes the depreciation of infrastructure	504,107
Leisure activities	22,330
Total Governmental Activities Depreciation Expense	$ 554,162

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

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated/amortized				
Land and land rights	$ 29,955	$ -	$ -	$ 29,955
Intangible	61,679	-	-	61,679
Total Capital Assets Not Being Depreciated/Amortized	91,634	-	-	91,634
Capital assets being depreciated				
Buildings and improvements	2,166,870	-	-	2,166,870
Machinery and equipment	2,220,065	5,500	-	2,225,565
Infrastructure	6,650,492	77,066	13,709	6,713,849
Total Capital Assets Being Depreciated	11,037,427	82,566	13,709	11,106,284
Total Capital Assets	11,129,061	82,566	13,709	11,197,918
Less: Accumulated depreciation for Water	(3,729,963)	(281,195)	13,709	(3,997,449)
Total Accumulated Depreciation	(3,729,963)	(281,195)	13,709	(3,997,449)
Net Capital Assets Being Depreciated	7,307,464	(198,629)	-	7,108,835
Net Water Capital Assets	$ 7,399,098	$ (198,629)	$ -	$ 7,200,469

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land and land rights	$ 440	$ -	$ -	$ 440
Total Capital Assets Not Being Depreciated	440	-	-	440
Capital assets being depreciated				
Buildings and improvements	3,341,857	-	-	3,341,857
Machinery and equipment	8,501,083	-	-	8,501,083
Infrastructure	3,572,723	-	-	3,572,723
Total Capital Assets Being Depreciated	15,415,663	-	-	15,415,663
Total Capital Assets	15,416,103	-	-	15,416,103
Less: Accumulated depreciation for Sewer	(8,600,636)	(505,788)	-	(9,106,424)
Total Accumulated Depreciation	(8,600,636)	(505,788)	-	(9,106,424)
Net Capital Assets Being Depreciated	6,815,027	(505,788)	-	6,309,239
Net Sewer Capital Assets	$ 6,815,467	$ (505,788)	$ -	$ 6,309,679

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets not being depreciated				
Land and land rights	$ 100,883	$ -	$ -	$ 100,883
Total Capital Assets Not Being Depreciated	100,883	-	-	100,883
Capital assets being depreciated				
Land improvements	75,305	-	-	75,305
Machinery and equipment	394,218	-	-	394,218
Stormsewer mains	2,649,559	104,378	6,148	2,747,789
Total Capital Assets Being Depreciated	3,119,082	104,378	6,148	3,217,312
Total Capital Assets	3,219,965	104,378	6,148	3,318,195
Less: Accumulated depreciation for				
Stormwater	(1,888,233)	(125,411)	6,148	(2,007,496)
Total Accumulated Depreciation	(1,888,233)	(125,411)	6,148	(2,007,496)
Net Capital Assets Being Depreciated	1,230,849	(21,033)	-	1,209,816
Net Stormwater Capital Assets	$ 1,331,732	$ (21,033)	$ -	$ 1,310,699
Business-type Capital Assets, Net of Accumulated Depreciation	$ 15,546,297	$ (725,450)	$ -	$ 14,820,847

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	$ 273,242
Sewer	513,741
Storm	125,411
Total Business-type Activities Depreciation Expense	$ 912,394

Depreciation expense is different from additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

VILLAGE OF UNION GROVE

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

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

E. INTERFUND RECEIVABLES/PAYABLES 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
General Fund	TID No. 6 Capital Projects Fund	$ 136,204
General Fund	TID No. 5 Capital Projects Fund	603,096
General Fund	TID No. 5 Debt Service Fund	14,837
TID No. 4 Capital Projects Fund	TID No. 5 Capital Projects Fund	868,572
Total - Fund Financial Statements		1,622,709
Less: Fund eliminations		(1,622,709)
Total Internal Balances - Government-Wide Statement of Net Position		$ -

All amounts are due within one year.

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. TID No. 5 and No. 6 will repay this interfund with 2020 bond proceeds. See Note V.E.

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Water Utility	$ 195,293	Payment in lieu of taxes
TID No. 4 - Debt Service Fund	TID No. 4 - Capital Projects Fund	74,592	Address the deficit in the TID Debt Service Fund.
Special Revenue Fund - Library Fund	General Fund	143,000	Operating levy
Recreation and Parks Fund	General Fund	20,665	To create fund
Capital Improvement Fund	General Fund	473,153	To transfer excess fund balance
Total - Fund Financial Statements		906,703	
Less: Fund eliminations		(711,410)	
Total Transfers - Government-Wide Statement of Activities		$ 195,293	

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 UNION GROVE

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

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

F. 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	$ 5,615,000	$ 1,080,000	$ 595,000	$ 6,100,000	$ 640,000
General obligation notes from direct borrowings and direct placements	257,981	-	105,977	152,004	109,934
Notes payable	33,007	-	16,260	16,747	16,747
(Discounts)/Premiums	-	15,348	497	14,851	-
Sub-totals	5,905,988	1,095,348	717,734	6,283,602	766,681
Other Liabilities					
Vested compensated absences	156,960	29,055	153,688	32,327	7,145
Net pension liability	-	133,653	-	133,653	-
Total Governmental Activities Long-Term Liabilities	$ 6,062,948	$ 1,258,056	$ 871,422	$ 6,449,582	$ 773,826
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	$ 1,740,000	$ -	$ 80,000	$ 1,660,000	$ 90,000
Revenue bonds	5,330,905	-	689,242	4,641,663	704,399
Less: Unamortized debt discount	(14,246)	-	(961)	(13,285)	-
Sub-totals	7,056,659	-	768,281	6,288,378	794,399
Other Liabilities					
Vested compensated absences	61,495	23,888	31,960	53,423	-
Net pension liability	-	60,542	-	60,542	-
Total Other Liabilities	61,495	84,430	31,960	113,965	-
Total Business-type Activities Long-Term Liabilities	$ 7,118,154	$ 84,430	$ 800,241	$ 6,402,343	$ 794,399

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 $17,968,990. Total general obligation debt outstanding at year end was $7,912,004.

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

F. 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.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
General Obligation Street Improvement Bonds	3/1/06	3/1/21	3.85-4.00%	$ 1,500,000	$ 285,000
State Trust Fund Loan-Direct	2/16/11	3/15/20	3.75%	540,000	69,396
State Trust Fund Loan-Direct	4/29/11	3/15/21	3.75%	360,000	82,608
General Obligation Refunding Bonds	3/29/12	12/1/28	2.00-3.10%	4,065,000	2,635,000
General Obligation Refunding Bonds	6/24/15	4/1/30	.55-3.4%	2,645,000	2,100,000
General Obligation Community Development Bonds	6/5/19	6/1/37	3.00%	1,080,000	1,080,000
Total Governmental Activities - General Obligation Debt					$ 6,252,004

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
General Obligation Refunding Bonds	3/29/12	12/1/28	2.00-3.10%	$ 1,995,000	$ 1,660,000
Total Business-type Activities - General Obligation Debt					$ 1,660,000

VILLAGE OF UNION GROVE

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt Principal	Governmental Activities General Obligation Debt Interest	Business-type Activities General Obligation Debt Principal	Business-type Activities General Obligation Debt Interest
2020	$ 640,000	$ 167,833	$ 90,000	$ 47,855
2021	705,000	151,368	95,000	45,830
2022	450,000	136,181	100,000	43,693
2023	480,000	125,250	205,000	41,193
2024	515,000	111,948	215,000	35,350
2025-2029	2,645,000	312,225	955,000	73,900
2030-2034	420,000	65,640	-	-
2035-2037	245,000	11,325	-	-
Totals	$ 6,100,000	$ 1,081,770	$ 1,660,000	$ 287,821

Years	Governmental Activities Debt from Direct Borrowings and Direct Placements Principal	Governmental Activities Debt from Direct Borrowings and Direct Placements Interest
2020	$ 109,934	$ 5,716
2021	42,070	1,578
Totals	$ 152,004	$ 7,294

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utilities.

The water utility has pledged future water revenues to repay revenue bonds issued in the current and prior years. Proceeds from the bonds provided financing for the waterworks system. The bonds are payable solely from water utility revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require 57.00% of gross revenues. The total principal and interest remaining to be paid on the bonds is $4,013,972. Principal and interest paid for the current year and total customer gross revenues were $390,545 and $1,047,395, respectively.

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

The sewer utility has pledged future sewer revenues to repay revenue bonds issued in prior years. Proceeds from the bonds provided financing for the modifications to the treatment facility. The bonds are payable solely from sewer utility revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require 51% of gross revenues. The total principal and interest remaining to be paid on the bonds is $1,342,384. Principal and interest paid for the current year and total customer gross revenues were $447,638 and $1,974,095, respectively.

Revenue debt payable at December 31, 2019, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Water Utility					
Waterworks System-Direct	11/9/05	5/1/25	2.37%	$ 1,486,390	$ 523,608
Waterworks System-Direct	4/25/07	5/1/26	2.48%	516,994	218,862
Waterworks System-Direct	12/9/09	5/1/29	2.67%	652,175	358,476
Waterworks System	3/12/12	5/1/32	2 - 3.96%	3,150,000	2,254,992
				Total Water Utility	3,355,938
Sewer Utility					
Sewer System-Direct	6/12/02	5/1/22	2.90%	$ 6,513,550	$ 1,285,725
				Total Sewer Utility	1,285,725
Total Business-type Activities - Revenue Debt					$ 4,641,663

VILLAGE OF UNION GROVE

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt Principal	Interest
2020	$ 145,000	$ 73,423
2021	150,000	69,360
2022	155,000	64,785
2023	160,000	60,060
2024	165,000	55,103
2025-2029	870,000	191,955
2030-2032	609,992	35,970
Totals	$ 2,254,992	$ 550,656

Years	Business-type Activities Revenue Debt from Direct Borrowings and Direct Placements Principal	Interest
2020	$ 559,399	$ 56,868
2021	574,989	41,060
2022	591,016	24,809
2023	153,813	14,683
2024	157,589	10,861
2025-2029	349,865	15,756
Totals	$ 2,386,671	$ 164,037

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

F. LONG-TERM OBLIGATIONS (cont.)

Notes Payable

Notes Payable at December 31, 2019 consist of the following:

Governmental Activities Notes Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Fire Truck Agreement with Yorkville	8/24/15	3/15/20	3%	$ 80,030	$ 16,747
Total Governmental Activities Notes Payable					$ 16,747

Debt service requirements to maturity are as follows:

	Governmental Activities Notes Payable	
Years	Principal	Interest
2020	$ 16,747	$ 504
Totals	$ 16,747	$ 504

Other Debt Information

Estimated payments of vested compensated absences and net pension liability 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.

Bond Covenant Disclosures

Insurance

The utilities are 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. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

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

F. LONG-TERM OBLIGATIONS (cont.)

The utilities are covered under the following insurance policies at December 31, 2019:

Type	Coverage		Expiration
General Liability	$ 2,000,000	EMI Insurance Co.	1/1/2020
Automobile	2,000,000	EMI Insurance Co.	1/1/2020
Workers Compensation	500,000	EMI Insurance Co.	1/1/2020
Property Insurance	27,830,240	EMI Insurance Co.	1/1/2020

Debt Coverage - Water

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

Operating revenues	$ 1,010,018
Investment income	37,300
Miscellaneous nonoperating income	77
Less: Operation and maintenance expenses	(503,555)
Net Defined Earnings	$ 543,840
Minimum Required Earnings per Resolution:	
Highest annual debt service	$ 388,556
Coverage factor	1.25
Minimum Required Earnings	$ 485,695
Actual Debt Coverage	1.40

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

F. LONG-TERM OBLIGATIONS (cont.)

Debt Coverage - Sewer

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.10 times the highest annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2019 as follows:

Operating revenues	$	1,522,945
Investment income		25,709
Less: Operation and maintenance expenses		(671,990)
Net Defined Earnings	$	876,664
Minimum Required Earnings per Resolution:		
Highest annual debt service	$	447,638
Coverage factor		1.10
Minimum Required Earnings	$	492,402
Actual Debt Coverage		1.96

Number of Customers and Billed Volumes - Water

The utility has the following number of customers and billed volumes for 2019:

	Customers	Sales (000 gals)
Residential	1,321	56,780
Commercial	151	19,645
Industrial	15	11,963
Public authority	11	5,623
Multi-family residential	47	14,461
Totals	1,545	108,472

VILLAGE OF UNION GROVE

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Number of Customers and Billed Volumes - Sewer

The utility has the following number of customers and billed volumes for 2019:

	Customers	Sales (000 gals)
Residential	1,318	56,274
Commercial	194	33,784
Industrial	14	3,377
Public authority	11	2,210
Totals	1,537	95,645

G. 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	$	627,253
Construction in progress		18,182
Other capital assets, net of accumulated depreciation		5,892,136
Less: Long-term debt outstanding		(6,268,751)
Plus: Unspent capital related debt proceeds		568,580
Plus: Noncapital debt proceeds		16,747
Less: Unamortized debt premium		(14,851)
Total Net Investment in Capital Assets	$	839,296

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	General Fund	General Debt Service Fund	TID No. 4 Capital Projects Fund	TID No. 5 Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Prepaids	$ 24,142	$ -	$ -	$ -	$ -	$ 24,142
Non-current interfunds	859	-	28,422	-	-	29,281
Sub-total	25,001	-	-	-	-	53,423
Restricted for:						
TID activities	-	-	868,572	-	-	868,572
Revolving loans	-	-	-	-	279,562	279,562
Impact fees	-	-	-	-	114,166	114,166
Library activities	-	-	-	-	186,245	186,245
Debt service	-	1,041	-	-	843,617	844,658
Recreation and Parks	-	-	-	-	21,464	21,464
Capital projects	-	-	-	-	31,417	31,417
Sub-total	-	1,041	868,572	-	1,476,471	2,346,084
Assigned to:						
Capital projects	-	-	-	-	859,922	859,922
Sub-total	-	-	-	-	859,922	859,922
Unassigned (deficit):	609,458	-	-	(1,484,345)	(187,734)	(1,062,621)
Total Fund Balances (Deficit)	$ 634,459	$ 1,041	$ 896,994	$ (1,484,345)	$ 2,148,659	$ 2,196,808

Business-type Activities

Net Investment in Capital Assets	
Other capital assets, net of accumulated depreciation	$ 14,820,847
Less: Long-term debt outstanding	(6,301,663)
Plus: Unamortized debt discount	13,285
Total Net Investment in Capital Assets	$ 8,532,469

VILLAGE OF UNION GROVE

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

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

H. COMPONENT UNIT

UNION GROVE COMMUNITY DEVELOPMENT AUTHORITY

This report contains the Union Grove Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was zero.

NOTE V - 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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

NOTE V - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

The WRS also provides death and disability benefits for employees.

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

VILLAGE OF UNION GROVE

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

NOTE V - 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 and 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 $54,085 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 $194,195 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 0.00545849%, which was a decrease of 0.00029476% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of $129,458.

NOTE V - 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	$ 151,249	$ 267,354
Changes in assumptions	32,734	-
Net differences between projected and actual earnings on pension plan investments	283,610	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,234	-
Employer contributions subsequent to the measurement date	59,111	-
Totals	$ 531,938	$ 267,354

$59,111 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 resourcesrelated 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	$ 74,915
2021	19,855
2022	32,551
2023	78,152

VILLAGE OF UNION GROVE

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

NOTE V - 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.

NOTE V - 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, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF UNION GROVE

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

NOTE V - 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)	$771,755	$194,195	$(235,264)

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.

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE V - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

TIF Reimburseable Expenditures

In 2012, the Village issued $3,150,000 Waterworks System Revenue Bonds, Series 2012A (2012A Bonds). The 2012A Bonds were issued to pay-off a portion of the 2007 Bond Anticipation Notes (2007 BANS) in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible water projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012A Bonds, the 2012A Bonds were recorded in the water utility. The water utility is making the principal and interest payments on the 2012A Bonds. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the water utility for the principal and interest payments that have been made on the 2012A Bonds as well as any issuance costs. As of December 31, 2019, the total reimbursable expenditures are:

	Year End 2019	Cumulative
Principal	$ 145,000	$ 895,000
Interest	76,866	651,611
Issuance costs	-	49,551
Totals	$ 221,866	$ 1,596,162

In 2012, the Village also issued $6,060,000 General Obligations Refunding Bonds, Series 2012B (2012B Bonds). The 2012B bonds were issued to pay-off a portion of the 2007 BANS through a current refunding in 2012. A portion of the original proceeds from the 2007 BANS were recorded in TIF No. 4 and were used to finance TIF eligible sewer projects. Due to the uncertainty of TIF No. 4 being able to pay the principal and interest payments on the 2012B Bonds related to sewer projects, the sewer portion of the 2012B bonds were recorded in the sewer utility. The sewer utility is making the principal and interest payments. However, if future tax increments in TIF No. 4 are sufficient, TIF No. 4 will reimburse the sewer utility for the principal and interest payments that have been made on the 2012B Bonds as well as any issuance costs. As of December 31, 2019, the total reimbursable expenditures are:

	Year End 2019	Cumulative
Principal	$ 80,000	$ 335,000
Interest	49,455	406,958
Issuance costs	-	30,439
Totals	$ 129,455	$ 772,397

NOTE V - OTHER INFORMATION (cont.)

D. JOINT VENTURES

Fire Commission Joint Venture

The Village of Union Grove and Town of Yorkville jointly operate the fire commission, which is called the Union Grove - Yorkville Fire Commission (fire commission) and provides fire protection and rescue service. The communities share in the operation of the district based on a percentage of total equalized value.

The governing body is made up of citizens from each community. Local representatives are appointed by the Village Board. The governing body has authority to adopt its own budget and control the financial affairs of the fire commission. The Village is obligated by the joint venture agreement to remit an amount annually to the fire commission. The Village made a payment to the fire commission of $115,099 in 2019.

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

Debt is being repaid with resources of the fire commission and is secured by the taxing power of the participants. The transactions of the fire commission are not reflected in these financial statements.

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

E. SUBSEQUENT EVENTS

On February 19, 2020, the Village issued $1,755,000 of Taxable General Obligation Community Development Bonds, Series 2020A to fund TID #5 costs. Interest rates over the life of the borrowing range from 1.85% to 2.75%.

On February 19, 2020, the Village issued $1,315,000 of General Obligation Community Development Bonds, Series 2020B to fund TID #6 infrastructure and creation costs. Interest rates over the life of the borrowing range from 2.00% to 2.25%.

On April 27, 2020, the Village authorized the issuance of a State Trust Fund Loan for an amount not to exceed $725,000 for the purchase of a fire truck.

F. ECONOMIC DEPENDENCY

Sewer Utility

The Sewer Utility has one significant customer who was responsible for 47% of operating revenues in 2019.

NOTE V - OTHER INFORMATION (cont.)

G. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

"Pay-As-You-Go" Municipal Revenue Obligations

Over the years, the Village has authorized the issuance of Municipal Revenue Obligations (MRO's) for the purpose of encouraging development. The MRO's are non-interest bearing and are paid solely from the tax increments on the respective properties of the tax incremental districts. In conjunction with authorization of these debt issues, the village entered into developer agreements with local businesses to provide development incentives to assist in undertaking the projects. The details related to the debt issues are:

TIF No. 3

Dated April 14, 2014

Payments to the Company will be made in years 2015 through 2024. However, the first payment occurred in 2016. The village paid $43,868 in 2019. Total payments made to-date are $181,731.

The Village and Company will share the Property Tax Increment on a 60/40 basis with the Company receiving 60% and the Village receiving 40% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of $3,624,100.

Dated November 3, 2015

Payments to the Company will be made in years 2018 through 2024. The village paid $34,840 in 2019. Total payments made to-date are $34,840.

The Village and Company will share the Property Tax Increment on an 80/20 basis with the Company receiving 80% and the Village receiving 20% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of $3,436,662.

Dated May 1, 2017

Payments to the Company are scheduled to be made in years 2019 through 2024. The maximum payout will be $229,000.

The Village and Company will share the Property Tax Increment on a 90/10 basis with the Company receiving 90% and the Village receiving 10% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of $4,063,900.

VILLAGE OF UNION GROVE

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

NOTE V - OTHER INFORMATION (cont.)

G. TAX ABATEMENT (cont.)

TIF No. 4

Dated February 19, 2013

Payments to the Company will be made in years 2014 through 2027. However, the first payment occurred in 2015. The village paid $15,904 in 2019. Total payments made to-date are $32,514.

The Village and Company will share the Property Tax Increment on a 50/50 basis with the Company receiving 50% and the Village receiving 50% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of $2,025,000.

The bonds do not constitute indebtedness of the Village. The Bond Payments are payable solely from Property Tax Increments received by the Village with respect to the Tax Incremental Districts. The bonds are not considered a general obligation of the Village.

TIF No. 5

Dated August 8, 2018

Two separate one-time payments of $1,200,000 and $200,000 were paid to the company by the village in 2018 upon the company meeting previously agreed-upon terms and conditions.

Subject to further terms and conditions, the village is to pay five equal payments of $193,333 for each multi-family residential building in the development and $193,335 for one commercial building. Three of the multi-family payments and the one commercial payment have been made for a total of $773,334 in 2019.

The village and the company will share the Property Tax Increment on a 75/25 basis with the village receiving 75% and the company receiving 25% assuming that the property meets or exceeds the Guaranteed Minimum Assessed Value of $10,000,000.

TIF No. 6

Dated September 17, 2019

The Village entered into a Developers agreement that had multiple phases and conditions for each MRO as noted below.

NOTE V - OTHER INFORMATION (cont.)

G. TAX ABATEMENT (cont.)

Conditioned upon the Developer meeting its Phase 1 Guaranteed Minimum Assessed Value of $20,670,000 with $14,520,000 by December 31, 2021 and an additional $6,150,000 by December 31, 2022, the Village shall pay excess Phase 1 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 1 Internal Infrastructure Improvements estimated at One Million Eight Hundred Ninety Two Thousand Three Hundred Fifty and 00/100 Dollars ($1,892,350.00), together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of Two Million Six Hundred Seventy Seven Thousand Four Hundred Eleven and 00/100 Dollars ($2,677,411.00). No payments were made in 2019.

Conditioned upon the Developer meeting its Phase 2 Guaranteed Minimum Assessed Value of $14,175,000, the Village shall pay excess Phase 2 Property Tax Increment to Developer on an annual "pay-as-you-go" basis as reimbursement for the actual cost of its Phase 2 Internal Infrastructure Improvements estimated at One Million Three Hundred Sixty-One Thousand and 00/100 Dollars, together with interest at the rate of Five Percent (5%) per annum, subject to a maximum incentive of $1,918,096. No payments were made in 2019.

Conditioned upon the Developer meeting its Phases 1 and 2 Guaranteed Minimum Assessed Values, any Property Tax Increment available after payment of the Village's loan payments, Administrative Costs, and the Phase 1 and Phase 2 Developer Infrastructure Incentives, shall be paid to the Developer as additional incentive on an annual "pay-as-you-go" basis, subject to a cumulative maximum of Two Million and 00/100 Dollars ($2,000.000.00) based on a 70% Developer and 30% Village split. No payments were made in 2019.

VILLAGE OF UNION GROVE

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

NOTE V - OTHER INFORMATION (cont.)

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- 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 Relationships and Availability Payment Arrangements*

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

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.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF UNION GROVE

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	$ 1,334,138	$ 1,344,852	$ 10,714
Intergovernmental	698,870	714,252	15,382
Licenses and permits	121,300	285,192	163,892
Fines, forfeitures and penalties	65,000	78,847	13,847
Public charges for services	-	1,056	1,056
Investment income	11,000	38,114	27,114
Micellaneous revenues	129,500	83,448	(46,052)
Total Revenues	2,359,808	2,545,761	185,953
EXPENDITURES			
Current:			
General government	637,182	575,196	61,986
Public safety	950,424	1,011,550	(61,125)
Public works	747,291	760,475	(13,184)
Health and human services	47,555	47,321	234
Culture, recreation and education	20,665	-	20,665
Conservation and development	-	43,292	(43,292)
Total Expenditures	2,403,117	2,437,834	(34,717)
Excess (Deficiency) of revenues over (under) expenditures	(43,309)	107,927	151,237
OTHER FINANCING SOURCES (USES)			
Transfer in	203,309	195,293	(8,016)
Transfers out	(160,000)	(636,818)	(476,818)
Total Other Financing Sources (Uses)	43,309	(441,525)	(484,834)
Net Change in Fund Balance	$ -	(333,598)	$ (333,597)
FUND BALANCE - Beginning of Year		968,057	
FUND BALANCE - END OF YEAR		$ 634,459	

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

VILLAGE OF UNION GROVE

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

WRS Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proprotionate 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
12/31/18	0.005458490%	$ 194,195	$ 807,254	24.06%	96.45%
12/31/17	0.005753250%	(170,820)	783,779	21.79%	102.93%
12/31/16	0.006088770%	50,186	849,123	5.91%	99.12%
12/31/15	0.006290300%	102,216	871,037	11.73%	98.20%
12/31/14	0.006401980%	(157,250)	875,648	17.96%	102.74%

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

Village Fiscal Year End Date	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	$ 59,111	$ 59,111	-	$ 902,454	6.55%
12/31/18	54,234	54,234	-	807,255	6.72%
12/31/17	53,297	53,297	-	783,780	6.80%
12/31/16	56,029	56,029	-	849,123	6.60%
12/31/15	61,295	61,295	-	874,037	7.04%

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

VILLAGE OF UNION GROVE

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 generally accepted accounting principles and the modified accrual basis of accounting.

The budgeted amounts presented include any amendments made. 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 board action.

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

WISCONSIN RETIREMENT SYSTEM

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

The Village of Union Grove is required to present the last ten fiscal 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.

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See independent auditors' report.

SUPPLEMENTARY INFORMATION

VILLAGE OF UNION GROVE

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

	Special Revenue Funds			
	Revolving Loan Fund	Impact Fee Fund	Recreation and Parks Fund	Library Fund
ASSETS				
Cash and investments	$ 279,946	$ 114,166	$ 25,002	$ 193,474
Receivables				
Taxes	-	-	-	-
Loans	122,626	-	-	-
TOTAL ASSETS	$ 402,572	$ 114,166	$ 25,002	$ 193,474
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 384	$ -	$ 3,538	$ 4,479
Accrued liabilities	-	-	-	2,750
Due to other funds	-	-	-	-
Total Liabilities	384	-	3,538	7,229
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Unavailable revenues	122,626	-	-	-
Total Deferred Inflows of Resources	122,626	-	-	-
Fund Balances				
Restricted	279,562	114,166	21,464	186,245
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances	279,562	114,166	21,464	186,245
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 402,572	$ 114,166	$ 25,002	$ 193,474

Debt Service Funds		Capital Project Funds			
TID No. 3 Debt Service Fund	TID No. 5 Debt Service Fund	TID No. 3 Capital Projects Fund	TID No. 6 Capital Projects Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds
$ 843,617	$ -	$ 31,417	$ -	$ 918,577	$ 2,406,199
419,212	88,473	-	-	54,884	562,569
-	-	-	-	-	122,626
$ 1,262,829	$ 88,473	$ 31,417	$ -	$ 973,461	$ 3,091,394
$ -	$ -	$ -	$ 36,693	$ 43,655	$ 88,749
-	-	-	-	-	2,750
-	14,837	-	136,204	-	151,041
-	14,837	-	172,897	43,655	242,540
419,212	88,473	-	-	69,884	577,569
-	-	-	-	-	122,626
419,212	88,473	-	-	69,884	700,195
843,617	-	31,417	-	-	1,476,471
-	-	-	-	859,922	859,922
-	(14,837)	-	(172,897)	-	(187,734)
843,617	(14,837)	31,417	(172,897)	859,922	2,148,659
$ 1,262,829	$ 88,473	$ 31,417	$ -	$ 973,461	$ 3,091,394

VILLAGE OF UNION GROVE

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

	Special Revenue Funds			
	Revolving Loan Fund	Impact Fee Fund	Recreation and Parks Fund	Library Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	125,673
Public charges for services	-	-	56,779	10,879
Licenses and permits	-	76,345	-	-
Investment income	1,888	997	-	2,768
Miscellaneous	5,225	-	-	5,531
Total Revenues	7,113	77,342	56,779	144,851
EXPENDITURES				
Current				
Culture, recreation and education	-	-	55,980	306,216
Conservation and development	1,549	-	-	-
Capital Outlay	-	-	-	4,280
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,549	-	55,980	310,496
Excess (deficiency) of revenues over expenditures	5,564	77,342	799	(165,645)
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-		-
Transfers in	-	-	20,665	143,000
Total Other Financing Sources	-	-	20,665	143,000
Net Change in Fund Balances	5,564	77,342	21,464	(22,645)
FUND BALANCES - Beginning of Year	273,998	36,824	-	208,890
FUND BALANCES (DEFICITS) - END OF YEAR	$ 279,562	$ 114,166	$ 21,464	$ 186,245

Debt Service Funds		Capital Projects Funds			
TID No. 3 Debt Service Fund	TID No. 5 Debt Service Fund	TID No. 3 Capital Projects Fund	TID No. 6 Capital Projects Fund	Capital Improvements Fund	Total Nonmajor Funds
$ 388,768	$ 967	$ -	$ -	$ 9,867	$ 399,602
-	-	3,026	-	100,000	228,699
-	-	1,819	-	-	69,477
-	-	-	-	-	76,345
-	-	3,856	-	-	9,509
-	-	-	-	25,458	36,214
388,768	967	8,701	-	135,325	819,846
-	-	-	-	-	362,196
-	-	95,800	172,897	-	270,246
-	-	-	-	297,993	302,273
135,000	-	-	-	-	135,000
9,000	15,840	-	-	-	24,840
144,000	15,840	95,800	172,897	297,993	1,094,555
244,768	(14,873)	(87,099)	(172,897)	(162,668)	(274,709)
-	-	-	-	5,500	5,500
-	-	-	-	473,153	636,818
-	-	-	-	478,653	642,318
244,768	(14,873)	(87,099)	(172,897)	315,985	367,609
598,849	36	118,516	-	543,937	1,781,050
$ 843,617	$ (14,837)	$ 31,417	$ (172,897)	$ 859,922	$ 2,148,659

VILLAGE OF UNION GROVE

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2019

	Community Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Paid to suppliers for goods and services	$ (34,294)
Net Cash Flows from Operating Activities	(34,294)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contribution from primary government	32,183
Net Cash Flows from Noncapital Financing Activities	32,183
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	2,111
Net Cash Flows from Operating Activities	2,111
Net Change in Cash and Cash Equivalents	-
CASH AND CASH EQUIVALENTS - Beginning of Year	-
CASH AND CASH EQUIVALENTS - END OF YEAR	$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (60,700)
Changes in assets and liabilities	
Property held for resale	42,000
Due to primary government	(15,594)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (34,294)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None.	

APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

November 5, 2020

Re: Village of Union Grove, Wisconsin ("Issuer")
$2,800,000 General Obligation Street Improvement Bonds, Series 2020C,
dated November 5, 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 June 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2022	$175,000	___%
2023	175,000	___
2024	175,000	___
2025	100,000	___
2026	100,000	___
2027	100,000	___
2028	100,000	___
2029	150,000	___
2030	150,000	___
2031	150,000	___
2032	150,000	___
2033	150,000	___
2034	155,000	___
2035	160,000	___
2036	160,000	___
2037	160,000	___
2038	160,000	___
2039	165,000	___
2040	165,000	___

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

The Bonds maturing on June 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2028 or on any date thereafter. Said Bonds are

redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.

3. The interest on the Bonds is 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 Union Grove, Racine County, Wisconsin (the "Issuer") in connection with the issuance of $2,800,000 General Obligation Street Improvement Bonds, Series 2020C, dated November 5, 2020 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on September 8, 2020 and October 19, 2020 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated October 20, 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 Union Grove, Racine County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at Village Hall, 925 15th Avenue, Union Grove, Wisconsin 53182, phone (262) 878-1818, fax (262) 878-3782.

"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.

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

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

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 5th day of November, 2020.

_____
Michael E. Aimone
President

(SEAL)

_____
Rebecca Wallendal
Village Clerk

APPENDIX E

NOTICE OF SALE

$2,800,000* GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2020C
VILLAGE OF UNION GROVE, WISCONSIN

Bids for the purchase of $2,800,000* General Obligation Street Improvement Bonds, Series 2020C (the "Bonds") of the Village of Union Grove, 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 October 19, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of street improvement projects. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated November 5, 2020, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on June 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2022	$175,000	2029	$150,000	2036	$160,000
2023	175,000	2030	150,000	2037	160,000
2024	175,000	2031	150,000	2038	160,000
2025	100,000	2032	150,000	2039	165,000
2026	100,000	2033	150,000	2040	165,000
2027	100,000	2034	155,000		
2028	100,000	2035	160,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 1 and December 1 of each year, commencing June 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 may select a bank or trust company to act as paying agent (the "Paying Agent"). If a Paying Agent is selected, 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 June 1, 2029 shall be subject to optional redemption prior to maturity on June 1, 2028 or 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 November 5, 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 BOND 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 $2,765,000 nor more than $2,940,000 plus accrued interest on the principal sum of $2,800,000 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 $56,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

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

CUSIP NUMBERS

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

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

Michael Hawes, Village Administrator
Village of Union Grove, Wisconsin

BID FORM

The Board of Trustees **October 19, 2020**
Village of Union Grove, Wisconsin
RE: $2,800,000* General Obligation Street Improvement Bonds, Series 2020C (the "Bonds")
DATED: November 5, 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 $2,765,000 nor more than $2,940,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2022	_____	% due	2029	_____	% due	2036
_____	% due	2023	_____	% due	2030	_____	% due	2037
_____	% due	2024	_____	% due	2031	_____	% due	2038
_____	% due	2025	_____	% due	2032	_____	% due	2039
_____	% due	2026	_____	% due	2033	_____	% due	2040
_____	% due	2027	_____	% due	2034			
_____	% due	2028	_____	% due	2035			

* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000. 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 rating for the Bonds may not be requested without contacting Ehlers and receiving the permission of the Village.

A good faith deposit ("Deposit") in the amount of $56,000 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 November 5, 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 November 5, 2020 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Union Grove, Wisconsin, on October 19, 2020.

By: _____ By: _____

Title: _____ Title: _____