

PRELIMINARY OFFICIAL STATEMENT DATED MAY 3, 2021

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

The Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of 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 BELGIUM, WISCONSIN (Ozaukee County)

\$2,250,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A

BID OPENING: May 10, 2021, 10:00 A.M., C.T.

CONSIDERATION: May 10, 2021, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,250,000* General Obligation Promissory Notes, Series 2021A (the "Notes") of the Village of Belgium, Wisconsin (the "Village") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including water and sewer system extensions and improvements. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES:

May 27, 2021

MATURITY:

April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$435,000	2024	\$450,000	2026	\$465,000
2023	445,000	2025	455,000		

***MATURITY**

ADJUSTMENTS:

The Village reserves the right to increase or decrease the principal amount of the Notes 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:

April 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION:

The Notes are being offered without option of prior optional redemption.

MINIMUM BID:

\$2,227,500.

MAXIMUM BID:

\$2,385,000.

GOOD FAITH

DEPOSIT:

A good faith deposit in the amount of \$45,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL AND

DISCLOSURE 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).

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 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.

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 Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers 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. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

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

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

Preliminary Official Statement: This Preliminary Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective 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 Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, 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 Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.	1	TAX LEVIES AND COLLECTIONS.	18
THE NOTES.	1	TAX LEVIES AND COLLECTIONS.	18
GENERAL.	1	PROPERTY TAX RATES.	19
OPTIONAL REDEMPTION.	1	LEVY LIMITS.	19
AUTHORITY; PURPOSE.	1	THE ISSUER.	21
ESTIMATED SOURCES AND USES.	2	VILLAGE GOVERNMENT.	21
SECURITY.	2	EMPLOYEES; PENSIONS.	21
RATING.	2	OTHER POST EMPLOYMENT BENEFITS.	22
CONTINUING DISCLOSURE.	2	LITIGATION.	22
LEGAL MATTERS.	3	MUNICIPAL BANKRUPTCY.	23
TAX EXEMPTION.	3	FUNDS ON HAND.	24
ORIGINAL ISSUE DISCOUNT.	4	ENTERPRISE FUNDS.	24
BOND PREMIUM.	5	SUMMARY GENERAL FUND INFORMATION.	25
QUALIFIED TAX-EXEMPT OBLIGATIONS.	5	GENERAL INFORMATION.	26
MUNICIPAL ADVISOR.	5	LOCATION.	26
MUNICIPAL ADVISOR AFFILIATED COMPANIES.	5	LARGER EMPLOYERS.	26
INDEPENDENT AUDITORS.	6	BUILDING PERMITS.	27
RISK FACTORS.	6	U.S. CENSUS DATA.	28
VALUATIONS.	9	EMPLOYMENT/UNEMPLOYMENT DATA.	28
WISCONSIN PROPERTY VALUATIONS;		FINANCIAL STATEMENTS.	A-1
PROPERTY TAXES.	9	FORM OF LEGAL OPINION.	B-1
CURRENT PROPERTY VALUATIONS.	10	BOOK-ENTRY-ONLY SYSTEM.	C-1
2020 EQUALIZED VALUE BY CLASSIFICATION.	10	FORM OF CONTINUING DISCLOSURE CERTIFICATE.	D-1
TREND OF VALUATIONS.	10	NOTICE OF SALE.	E-1
LARGER TAXPAYERS.	11	BID FORM	
DEBT.	12		
DIRECT DEBT.	12		
SCHEDULE OF GENERAL OBLIGATION DEBT.	13		
SCHEDULE OF SEWERAGE SYSTEM			
AND WATER SYSTEM REVENUE DEBT.	15		
DEBT LIMIT.	16		
OVERLAPPING DEBT.	16		
DEBT RATIOS.	17		
DEBT PAYMENT HISTORY.	17		
FUTURE FINANCING.	17		

VILLAGE OF BELGIUM VILLAGE BOARD

		<u>Term Expires</u>
Peter Anzia	Village President	April 2023
Josh Borden	Village Trustee	April 2023
Don Gotcher	Village Trustee	April 2022
Clem Gottsacker	Village Trustee	April 2022
Sarah Heisler	Village Trustee	April 2022
Rose Sauers	Village Trustee	April 2023
Daniel Wolff	Village Trustee	April 2023

ADMINISTRATION

Vickie Boehnlein, Village Treasurer
Julie Lesar, Village Clerk

PROFESSIONAL SERVICES

Huiras, Farrell & Antoine, S.C., Village Attorney, Port Washington, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure 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 Belgium, Wisconsin (the "Village") and the issuance of its \$2,250,000* General Obligation Promissory Notes, Series 2021A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Village Board on May 10, 2021.

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 NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 27, 2021. The Notes will mature on April 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2022, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes 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 Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

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

OPTIONAL REDEMPTION

The Notes are not subject to optional redemption prior to maturity.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including water and sewer system extensions and improvements.

*Preliminary, subject to change.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	\$2,250,000	
Estimated Interest Earnings	<u>545</u>	
Total Sources		\$2,250,545
Uses		
Estimated Underwriter's Discount	\$22,500	
Costs of Issuance	43,650	
Deposit to Project Construction Fund	2,180,437	
Rounding Amount	<u>3,958</u>	
Total Uses		\$2,250,545

* Preliminary, subject to change.

SECURITY

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

RATING

None of the outstanding indebtedness of the Village is currently rated, and the Village has not requested a rating on the Notes. A rating for the Notes 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 Notes, 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. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

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 the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

An opinion as to the validity of the Notes 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 Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

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 Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes."

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes. 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 Notes may be enacted. Prospective purchasers of the Notes 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 Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") 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 Note over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note 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 Note 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 Note 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 Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note 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 Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note 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 Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Note 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 Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. 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 Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes 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 Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

BOND PREMIUM

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

Any Premium Note purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Note is calculated on a daily basis from the issue date of such Premium Note 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 Note that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Note by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Note. The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the 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 Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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, 2020, have been audited by Baker Tilly US, LLP, Milwaukee, 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 Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

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

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

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

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

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the Village with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, 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 Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to 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 Notes.

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

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

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

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, 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 Notes 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 former 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, former President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on former President Trump's guidelines. 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 was 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 did 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") provided 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 would 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 November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Village's allocation was \$39,652. These funds were to be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic. The State's final allocation and the subsequent allocations to individual municipalities are not yet available, but the Village's allocation is expected to be approximately \$232,000.

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. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through April 5, 2021. On March 31, 2021, the Wisconsin Supreme Court struck down Emergency Order #1, finding that legislative approval was required to continue the order beyond its original 60-day period. The ruling does not impact the validity of local mandates.

On October 6, 2020, Emergency Order #3 was issued, which limited 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 expired November 6, 2020.

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	\$221,983,100
2020 Equalized Value Reduced by Tax Increment Valuation	\$174,805,300
2020 Assessed Value	\$199,295,391

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$ 177,209,000	79.830%
Commercial	33,350,200	15.024%
Manufacturing	8,283,100	3.731%
Agricultural	118,500	0.053%
Undeveloped	593,100	0.267%
Ag Forest	3,000	0.001%
Other	539,000	0.243%
Personal Property	1,887,200	0.850%
Total	<u>\$ 221,983,100</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2016	\$ 172,553,865	\$ 175,513,400	1.52%
2017	178,886,944	180,705,200	2.96%
2018	193,429,992	197,623,200	9.36%
2019	196,482,287	206,892,400	4.69%
2020	199,295,391	221,983,100	7.29%

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	2020 Equalized Value¹	Percent of Village's Total Equalized Value
Lakeside Foods	Packaged food producer	\$ 5,064,717	2.28%
GM Partnership LLC	Auto dealer	2,119,292	0.95%
How-Dea Service Center Inc.	Truck stop & service center	1,930,526	0.87%
Lake Hills North - Mike LLC	Commercial	1,772,004	0.80%
Dream Logistics LLC	Cargo & Freight	1,732,212	0.78%
RJ Belgium Properties LLC	Fitness facility	1,721,500	0.78%
Gill Plaza Property LLC	Gas station and restaurant	1,247,226	0.56%
Bio-Green Planet Inc.	Agricultural research, development and manufacturing	939,294	0.42%
Cram Investments LLC	Commercial	919,783	0.41%
Individual	Gas station and convenience store	892,468	0.40%
Total		\$ 18,339,022	8.26%
Village's Total 2020 Equalized Value ²		\$221,983,100	

Source: The Village.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 Aggregate Ratio of assessment for the Village.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u>\$ 6,471,697</u>
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Revenue Debt (see schedules following)²

Total revenue debt secured by Sewer & Water revenues	<u>\$ 1,144,872</u>
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Other Obligations²

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding
12/31/12	\$ 1,366,534	TID No. 4 Development Agreement	4/1/23	\$ 579,034
8/1/16	\$ 63,883	LEED Lighting Lease	8/1/21	\$ 3,434

* Preliminary, subject to change.

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

² Non-general obligation debt has not been included in the debt ratios.

Village of Belgium, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/27/2021)

Dated Amount	Community Development Refunding Bond		Community Development Refunding Bond		State Trust Fund loan		State Trust Fund loan		State Trust Fund Loan	
	10/01/2009 \$529,599	10/01/2009 \$127,157	04/01 & 10/01	09/15/2010 \$300,000	12/13/2010 \$225,000	06/05/2012 \$142,466				
Maturity	04/01 & 10/01	04/01 & 10/01		03/15	03/15	03/15				
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	7,000	1,158	6,656	830	0	0	0	0	0	0
2022	14,000	1,633	13,790	1,182	16,386	9,582	12,143	7,101	0	483
2023	14,621	723	14,503	519	17,246	8,721	12,781	6,463	16,110	
2024					18,130	7,837	13,436	5,808		
2025					19,103	6,864	14,157	5,087		
2026					20,106	5,861	14,901	4,344		
2027					21,162	4,806	15,683	3,562		
2028					22,262	3,705	16,499	2,746		
2029					23,441	2,526	17,372	1,872		
2030					24,672	1,295	18,284	960		
2031										
2032										
2033										
2034										
2035										
2036										
2037										
	35,621	3,513	34,948	2,531	182,507	51,198	135,256	37,942	16,110	483

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Village of Belgium, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/27/2021)

State Trust Fund Loan			Street Improvement Bonds Series 2017A			Promissory Notes Series 2021A		
Dated Amount	07/24/2012 \$64,404		05/04/2017 \$4,300,000			05/27/2021 \$2,250,000*		
Maturity	03/15		05/01			04/01		
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest
2021	0	0	0	61,895	0	0	13,656	63,883
2022	7,254	218	150,000	121,540	435,000	28,315	664,683	170,053
2023			155,000	116,965	445,000	16,984	659,150	150,376
2024			205,000	111,565	450,000	12,955	686,566	138,166
2025			210,000	105,340	455,000	8,315	698,260	125,606
2026			215,000	98,965	465,000	2,906	715,006	112,076
2027			220,000	92,440			256,844	100,807
2028			225,000	85,765			263,761	92,216
2029			235,000	78,865			275,814	83,263
2030			245,000	71,665			287,956	73,920
2031			250,000	64,240			250,000	64,240
2032			260,000	56,395			260,000	56,395
2033			270,000	47,744			270,000	47,744
2034			280,000	38,288			280,000	38,288
2035			290,000	28,131			290,000	28,131
2036			300,000	17,250			300,000	17,250
2037			300,000	5,813			300,000	5,813
	7,254	218	3,810,000	1,202,865	2,250,000	69,475	6,471,697	1,368,226
								7,839,923

* Preliminary, subject to change.

Village of Belgium, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer and
(As of 05/27/2021)

Sewerage System and Water System Revenue Bonds (SDWFL)				Sewerage System and Water System Revenue Bonds (SDWFL)			
Series 2013A		Series 2013B		Series 2013C		Series 2013D	
Dated	03/13/2013	03/13/2013	03/13/2013	03/13/2013	03/13/2013	03/13/2013	03/13/2013
Amount	\$1,155,093	\$1,155,093	\$667,439	\$667,439	\$667,439	\$667,439	\$667,439
Maturity	05/01	05/01	05/01	05/01	05/01	05/01	05/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I
2021	0	6,922	0	5,588	0	12,510	12,510
2022	59,322	13,272	33,888	10,731	93,210	24,003	117,213
2023	60,464	12,119	34,777	9,830	95,241	21,949	117,190
2024	61,628	10,944	35,690	8,905	97,318	19,849	117,167
2025	62,814	9,746	36,627	7,956	99,441	17,702	117,143
2026	64,024	8,525	37,588	6,982	101,612	15,507	117,119
2027	65,256	7,281	38,575	5,982	103,831	13,263	117,094
2028	66,512	6,013	39,588	4,956	106,100	10,969	117,069
2029	67,793	4,720	40,627	3,904	108,419	8,624	117,043
2030	69,098	3,403	41,693	2,823	110,791	6,226	117,016
2031	70,428	2,060	42,788	1,714	113,215	3,774	116,989
2032	71,783	691	43,911	576	115,694	1,267	116,961
	719,121	85,696	425,751	69,948	1,144,872	155,644	1,300,516
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2032	71,783	691	43,911	576	115,694	1,267	116,961
	719,121	85,696	425,751	69,948	1,144,872	155,644	1,300,516
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I
2021	0	6,922	0	5,588	0	12,510	12,510
2022	59,322	13,272	33,888	10,731	93,210	24,003	117,213
2023	60,464	12,119	34,777	9,830	95,241	21,949	117,190
2024	61,628	10,944	35,690	8,905	97,318	19,849	117,167
2025	62,814	9,746	36,627	7,956	99,441	17,702	117,143
2026	64,024	8,525	37,588	6,982	101,612	15,507	117,119
2027	65,256	7,281	38,575	5,982	103,831	13,263	117,094
2028	66,512	6,013	39,588	4,956	106,100	10,969	117,069
2029	67,793	4,720	40,627	3,904	108,419	8,624	117,043
2030	69,098	3,403	41,693	2,823	110,791	6,226	117,016
2031	70,428	2,060	42,788	1,714	113,215	3,774	116,989
2032	71,783	691	43,911	576	115,694	1,267	116,961

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	\$ 221,983,100
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 11,099,155
Less: General Obligation Debt (includes the Notes)*	<u>(6,471,697)</u>
Unused Debt Limit*	<u><u>\$ 4,627,458</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2020 Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Ozaukee County	\$ 13,599,803,300	1.6323%	\$ 25,910,000	\$ 422,929
School District of Cedar Grove-Belgium Area	700,196,159	31.7030%	1,210,000	383,606
Lakeshore Technical College District	17,270,919,932	1.2853%	25,840,000	<u>332,122</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 1,138,657</u></u>

¹ Overlapping debt is as of the dated date of the Notes. 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 \$221,983,100¹	Debt/ Per Capita 2,448²
Total General Obligation Debt (includes the Notes)*	\$ 6,471,697	2.92%	\$ 2,643.67
Village's Share of Total Overlapping Debt	<u>1,138,657</u>	<u>0.51%</u>	<u>465.14</u>
Total*	\$ 7,610,354	3.43%	\$ 3,108.80

*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 currently plans to issue approximately \$3,015,000 general obligation debt in Spring 2022 for capital projects. Aside from the preceding, the Village has no current plans for additional financing in the next 12 months.

¹ 2020 value, includes tax increment valuation.

² 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
2016/17	\$845,463	100%	\$5.92
2017/18	1,057,212	100%	7.27
2018/19	1,062,950	100%	6.76
2019/20	1,045,799	100%	6.42
2020/21	1,047,342	In Process	5.99

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 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, 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 was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. Ozaukee County and the Village did not adopt such resolutions. The Village cannot predict

whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 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 Notes.

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	Schools¹	County	Local	Other²	Total
2016/17	\$10.84	\$2.10	\$5.92	\$0.21	\$19.07
2017/18	10.65	2.09	7.27	0.00	20.01
2018/19	10.24	2.06	6.76	0.00	19.06
2019/20	9.82	1.99	6.42	0.00	18.23
2020/21	9.38	1.86	5.99	0.00	17.23

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.

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.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% 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 adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1922 and is governed by a Village Board which consists of the President and six Trustees. The President is a voting member of the Village Board. All are elected to two-year terms. The appointed Village Clerk and Village Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of seven full-time, 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, 2018 ("Fiscal Year 2018"), the fiscal year ended December 31, 2019 ("Fiscal Year 2019") and the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$21,366, \$21,436 and \$22,595, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

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, 2019, the total pension liability of the WRS was calculated as \$108.87 billion and the fiduciary net position of the WRS was calculated as \$112.09 billion, resulting in a net pension asset of \$3.22 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 2020, the Village reported an asset of \$66,781 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2019 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 0.00207108% of the aggregate WRS net pension asset as of December 31, 2019.

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 Note 5 in "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 does not provide any other post employment benefits.

LITIGATION

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

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

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 Notes would not occur.

FUNDS ON HAND (as of April 7, 2021)

Fund	Total Cash and Investments
General	\$ 718,440
TIF No. 4	938,533
Debt Service Fund	62,295
Water Utility Fund	1,103,419
Sewer Utility Fund	<u>537,017</u>
Total Funds on Hand	<u><u>\$ 3,359,704</u></u>

ENTERPRISE FUNDS

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

	2018 Audited	2019 Audited	2020 Audited
Water			
Total Operating Revenues	\$600,477	\$ 568,111	\$ 616,493
Less: Operating Expenses	<u>(464,614)</u>	<u>(440,816)</u>	<u>(405,381)</u>
Operating Income	\$ 135,863	\$ 127,295	\$ 211,112
Plus: Depreciation	140,590	184,361	167,775
Interest Income	<u>16,662</u>	<u>23,942</u>	<u>11,646</u>
Revenues Available for Debt Service	<u><u>\$ 293,115</u></u>	<u><u>\$ 335,598</u></u>	<u><u>\$ 390,533</u></u>
Sewer			
Total Operating Revenues	\$ 854,636	\$ 868,795	\$ 981,929
Less: Operating Expenses	<u>(865,692)</u>	<u>(805,761)</u>	<u>(742,431)</u>
Operating Income	\$ (11,056)	\$ 63,034	\$ 239,498
Plus: Depreciation	527,241	450,989	385,338
Interest Income	<u>12,527</u>	<u>15,772</u>	<u>5,177</u>
Revenues Available for Debt Service	<u><u>\$ 528,712</u></u>	<u><u>\$ 529,795</u></u>	<u><u>\$ 630,013</u></u>

GENERAL FUND SUMMARY

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 2020 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT					
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Budget 1)
Revenues					
Taxes	\$567,673	\$755,984	\$757,305	\$784,454	\$795,224
Intergovernmental	130,856	138,568	157,663	251,444	187,675
Licenses and Permits	66,696	50,403	67,243	58,951	44,930
Fines and forfeitures	810	1,006	1,015	1,295	1,050
Public charges for services	172,092	151,302	161,756	170,855	164,847
Intergovernmental charges for services	14,138	14,464	12,411	12,292	0
Investment income	19,919	27,196	30,981	7,958	7,500
Misc Income	11,155	43,792	42,331	44,650	10,215
Total Revenues	\$983,339	\$1,182,715	\$1,230,705	\$1,331,899	\$1,211,441
Expenditures					
Current:					
General government	\$169,600	\$170,872	\$172,931	\$189,604	\$184,503
Public safety	269,920	264,218	271,460	278,278	284,974
Public works	381,179	400,426	418,025	441,567	473,214
Leisure Activities	54,420	61,365	100,347	73,845	91,658
Conservation & Development	17,048	17,035	20,015	10,690	20,730
Capital Outlay	2,116,835	2,066,816	148,185	274,771	111,083
Debt Service	124,850	13,806	13,806	13,806	8,053
Total Expenditures	\$3,133,852	\$2,994,538	\$1,144,769	\$1,282,561	\$1,174,215
Excess of revenues over (under) expenditures	(\$2,150,513)	(\$1,811,823)	\$85,936	\$49,338	\$37,226
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$0	\$0	\$0	\$0	\$0
Proceeds from Long-Term Debt	\$4,300,000	0	0	0	0
Premium on Debt Issued	80,391	0	0	0	0
Transfers In	106,929	103,216	101,068	189,393	103,500
Transfers Out	0	(\$194,465)	(\$217,552)	(\$392,174)	(\$145,920)
Total Other Financing Sources (Uses)	\$4,487,320	(\$91,249)	(\$116,484)	(\$202,781)	(\$42,420)
Net Changes in Fund Balances	\$2,336,807	(\$1,903,072)	(\$30,548)	(\$153,443)²⁾	(\$5,194)
General Fund Balance January 1	\$240,203	\$2,577,010	\$673,938	\$643,390	\$489,947
Prior Period Adjustment	0	0	0	0	0
General Fund Balance December 31	\$2,577,010	\$673,938	\$643,390	\$489,947	\$484,753
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$6,857	\$7,700	\$5,523	\$15,043	
Restricted	2,221,087	306,153	85,119	122,645	
Committed	0	0	0	0	
Assigned	53,500	53,515	40,000	25,950	
Unassigned	295,566	306,570	512,748	326,309	
Total	\$2,577,010	\$673,938	\$643,390	\$489,947	

1) 2021 Budget adopted on November 9, 2020.

2) Planned use of prior year's budgeted amounts for capital projects.

GENERAL INFORMATION

LOCATION

The Village is located in Ozaukee County, with a 2010 U.S. Census population of 2,245 and a current estimated population of 2,448 comprises an area of 2.16 square miles and is located approximately 35 miles north of the Milwaukee Metropolitan area and 20 miles south of Sheboygan just off I-43.

LARGER EMPLOYERS¹

Larger employers in and near the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Lakeside Foods Inc.	Processor of canned and frozen vegetables	290
Holiday Trims, Inc.	Manufacturers	75
Trimen Industries, Inc.	Custom manufacturing, machining and painting	72
Sharon-Cutwell	Precision cutting tool manufacturer	30
McDonald's	Fast-food Restaurant	26
How-Dea Service Center	Truck stop/repair/restaurant	25
Belgium Gardens	Nursing Home	20
Luige's Frozen Pizza Inc	Frozen pizza manufacturer	19
How-Dea Mini Mart	Service stations	15
The Village	Municipal government and services	7

Source: *ReferenceUSA, written and telephone survey (March 2021), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Single Family Homes</u>					
No. of building permits	17	5	8	2	2
Valuation	\$3,555,000	\$1,018,000	\$2,105,000	\$472,900	\$500,000
<u>New Multiple Family Buildings</u>					
No. of building permits	4	1	2	4	1
Valuation	\$1,370,000	\$300,000	\$750,000	\$1,125,000	\$385,000
<u>New Commercial/Industrial</u>					
No. of building permits	0	1	1	0	0
Valuation	\$0	\$890,000	\$499,000	\$0	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	5	18	10	17	5
Valuation	\$39,000	\$524,500	\$953,000	\$243,111	\$62,160

Source: The Village.

¹ As of April 8, 2021.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	1,678
2010 U.S. Census	2,245
2020 Estimated Population	2,448
Percent of Change 2000 - 2010	33.79%

Income and Age Statistics

	The Village	Ozaukee County	State of Wisconsin	United States
2019 per capita income	\$31,823	\$49,030	\$33,375	\$34,103
2019 median household income	\$78,707	\$85,215	\$61,747	\$62,843
2019 median family income	\$93,500	\$103,900	\$78,679	\$77,263
2019 median gross rent	\$919	\$927	\$856	\$1,062
2019 median value owner occupied units	\$197,900	\$282,500	\$180,600	\$217,500
2019 median age	38.6 yrs.	44.0 yrs.	39.5 yrs.	38.1 yrs.

	State of Wisconsin	United States
Village % of 2019 per capita income	95.35%	93.31%
Village % of 2019 median family income	118.84%	121.02%

Housing Statistics

	<u>The Village</u>		
	2010	2019	Percent of Change
All Housing Units	848	882	4.01%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Ozaukee County	Ozaukee County	State of Wisconsin
2017	47,657	2.7%	3.3%
2018	47,823	2.5%	3.0%
2019	47,492	2.8%	3.3%
2020	45,366	5.4%	6.3% ¹
2021, March ¹	46,014	3.8%	4.8%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

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

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

Village of Belgium

Financial Statements and
Supplementary Information

December 31, 2020

Village of Belgium

Table of Contents
December 31, 2020

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet – Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	6
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Position – Proprietary Funds	8
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Position – Fiduciary Fund	12
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	13
Index to Notes to Financial Statements	14
Notes to Financial Statements	15
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	43
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – TIF No. 4	44
Schedule of Proportionate Share of Net Pension Asset (Liability) and Schedule of Contributions – Wisconsin Retirement System	45
Notes to Required Supplementary Information	46

Independent Auditors' Report

To the Village Board
Village of Belgium

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Belgium, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Belgium'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 Belgium'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 Belgium'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, each major fund and the aggregate remaining fund information of the Village of Belgium, Wisconsin, as of December 31, 2020 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.

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 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.

Baker Tilly US, LLP

Milwaukee, Wisconsin
April 13, 2021

Village of Belgium

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 2,913,523	\$ 1,257,381	\$ 4,170,904
Receivables:			
Taxes	506,888	-	506,888
Delinquent personal property taxes	963	-	963
Accounts	18,021	376,905	394,926
Internal balances	(39,737)	39,737	-
Inventories	-	17,230	17,230
Prepaid items	14,080	25,991	40,071
Restricted assets:			
Cash and investments	109,303	462,239	571,542
Net pension asset	35,565	31,216	66,781
Capital assets:			
Land	291,800	119,416	411,216
Construction in progress	246,075	18,250	264,325
Other capital assets (net of accumulated depreciation)	5,934,465	8,719,012	14,653,477
Total assets	10,030,946	11,067,377	21,098,323
Deferred Outflows of Resources			
Deferred outflows related to pension	76,836	78,224	155,060
Liabilities			
Accounts payable and accrued liabilities	96,215	10,534	106,749
Accrued interest payable	50,653	16,899	67,552
Unearned revenue	-	2,400	2,400
Deposits	11,115	-	11,115
Noncurrent liabilities:			
Due within one year	286,013	304,413	590,426
Due in more than one year	3,876,452	1,485,999	5,362,451
Total liabilities	4,320,448	1,820,245	6,140,693
Deferred Inflows of Resources			
Unearned property taxes	1,724,190	-	1,724,190
Deferred inflows related to pension	111,869	88,249	200,118
Total deferred inflows of resources	1,836,059	88,249	1,924,308
Net Position			
Net investment in capital assets	2,309,875	7,066,266	9,376,141
Restricted for:			
Pension	35,565	31,216	66,781
Debt requirements	-	18,502	18,502
Impact fees	109,303	99,900	209,203
Tourism	13,342	-	13,342
Equipment replacement	-	338,591	338,591
TIF purposes	455,739	-	455,739
Unrestricted	1,027,451	1,682,632	2,710,083
Total net position	\$ 3,951,275	\$ 9,237,107	\$ 13,188,382

See notes to financial statements

Village of Belgium

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 229,144	\$ 40,448	\$ 12,596	\$ -	\$ (176,100)	\$ -	\$ (176,100)
Public safety	282,548	42,298	9,359	-	(230,891)	-	(230,891)
Public works	832,721	156,692	101,685	-	(574,344)	-	(574,344)
Culture and recreation	94,944	12,248	-	15,868	(66,828)	-	(66,828)
Conservation and development	275,260	-	-	-	(275,260)	-	(275,260)
Interest and fiscal charges	198,000	-	-	-	(198,000)	-	(198,000)
Total governmental activities	1,912,617	251,686	123,640	15,868	(1,521,423)	-	(1,521,423)
Business-Type Activities							
Water utility	422,424	616,493	-	-	-	194,069	194,069
Sewer utility	779,356	981,929	-	-	-	202,573	202,573
Total business-type activities	1,201,780	1,598,422	-	-	-	396,642	396,642
Total	\$ 3,114,397	\$ 1,850,108	\$ 123,640	\$ 15,868	(1,521,423)	396,642	(1,124,781)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					1,848,639	-	1,848,639
Other taxes					8,210	-	8,210
Intergovernmental revenues not restricted to specific programs					117,081	-	117,081
Investment income					20,337	16,823	37,160
Miscellaneous					59,587	5,826	65,413
Total general revenues					2,053,854	22,649	2,076,503
Transfers					180,678	(180,678)	-
Change in net position					713,109	238,613	951,722
Net Position, Beginning					3,238,166	8,998,494	12,236,660
Net Position, Ending					\$ 3,951,275	\$ 9,237,107	\$ 13,188,382

See notes to financial statements

Village of Belgium

Balance Sheet

Governmental Funds

December 31, 2020

	General Fund	Special Revenue TIF No. 4 Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and investments	\$ 1,016,320	\$ 988,760	\$ 162,608	\$ 745,835	\$ 2,913,523
Cash and investments, restricted	109,303	-	-	-	109,303
Receivables:					
Taxes	124,862	283,015	99,011	-	506,888
Accounts	18,021	-	-	-	18,021
Delinquent personal property taxes	963	-	-	-	963
Prepaid items	14,080	-	-	-	14,080
Total assets	<u>\$ 1,283,549</u>	<u>\$ 1,271,775</u>	<u>\$ 261,619</u>	<u>\$ 745,835</u>	<u>\$ 3,562,778</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 84,951	\$ 3,060	\$ -	\$ -	\$ 88,011
Accrued liabilities	8,204	-	-	-	8,204
Deposits	11,115	-	-	-	11,115
Due to other funds	39,737	-	-	-	39,737
Total liabilities	<u>144,007</u>	<u>3,060</u>	<u>-</u>	<u>-</u>	<u>147,067</u>
Deferred Inflows of Resources:					
Unearned property taxes	<u>649,595</u>	<u>812,976</u>	<u>261,619</u>	<u>-</u>	<u>1,724,190</u>
Total deferred inflows of resources	<u>649,595</u>	<u>812,976</u>	<u>261,619</u>	<u>-</u>	<u>1,724,190</u>
Fund Balances					
Nonspendable	15,043	-	-	-	15,043
Restricted	122,645	455,739	-	-	578,384
Assigned	25,950	-	-	745,835	771,785
Unassigned	326,309	-	-	-	326,309
Total fund balances	<u>489,947</u>	<u>455,739</u>	<u>-</u>	<u>745,835</u>	<u>1,691,521</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,283,549</u>	<u>\$ 1,271,775</u>	<u>\$ 261,619</u>	<u>\$ 745,835</u>	<u>\$ 3,562,778</u>
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note 2.					\$ 6,472,340
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.					35,565
Deferred outflows and inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.					(35,033)
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 2.					<u>(4,213,118)</u>
Net position of governmental activities					<u>\$ 3,951,275</u>

See notes to financial statements

Village of Belgium

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	General Fund	Special Revenue TIF No. 4 Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
Revenues					
Taxes	\$ 784,454	\$ 802,840	\$ 269,555	\$ -	\$ 1,856,849
Intergovernmental revenues	251,444	8,617	-	-	260,061
Licenses and permits	58,951	-	-	-	58,951
Fines, forfeits and penalties	1,295	-	-	-	1,295
Public charges for services	170,855	-	-	-	170,855
Intergovernmental charges for services	12,292	-	-	-	12,292
Investment income	7,958	7,440	-	4,939	20,337
Miscellaneous	44,650	-	-	-	44,650
Total revenues	1,331,899	818,897	269,555	4,939	2,425,290
Expenditures					
Current:					
General government	189,604	13,434	-	-	203,038
Public safety	278,278	-	-	-	278,278
Public works	441,567	-	-	-	441,567
Leisure activities	73,845	-	-	-	73,845
Conservation and development	10,690	265,828	-	-	276,518
Capital Outlay	274,771	-	-	48,549	323,320
Debt service:					
Principal	13,335	-	750,014	-	763,349
Interest and fiscal charges	471	64,928	148,585	-	213,984
Total expenditures	1,282,561	344,190	898,599	48,549	2,573,899
Excess (deficiency) of revenues over expenditures	49,338	474,707	(629,044)	(43,610)	(148,609)
Other Financing Sources (Uses)					
Transfers in	189,393	-	629,044	392,173	1,210,610
Transfers out	(392,174)	(637,758)	-	-	(1,029,932)
Total other financing sources (uses)	(202,781)	(637,758)	629,044	392,173	180,678
Net change in fund balances	(153,443)	(163,051)	-	348,563	32,069
Fund Balance, Beginning	643,390	618,790	-	397,272	1,659,452
Fund Balance, Ending	\$ 489,947	\$ 455,739	\$ -	\$ 745,835	\$ 1,691,521

See notes to financial statements

Village of Belgium

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	32,069
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	323,320
Some items reported as capital outlay were not capitalized	(73,906)
Depreciation is recorded in the government-wide statements	(359,391)

Contributed capital assets are reported as revenues in the government-wide statements	15,868
---	--------

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

Principal repaid	763,349
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Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position these are deferred and reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization	3,890
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on debt	15,984
Net pension Asset	69,548
Deferred outflows and inflows of resources related to pensions	(77,622)

Change in Net Position of Governmental Activities	\$	713,109
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See notes to financial statements

Village of Belgium

Statement of Net Position

Proprietary Funds

December 31, 2020

		Business-Type Activities - Enterprise Funds		
		Water Utility	Sewer Utility	Totals
Assets				
Current Assets				
Cash and investments		\$ 989,477	\$ 267,904	\$ 1,257,381
Receivables:				
Due from other funds		10,984	28,753	39,737
Accounts		142,491	234,414	376,905
Inventories		17,230	-	17,230
Prepaid items		13,167	12,824	25,991
Total current assets		1,173,349	543,895	1,717,244
Noncurrent Assets				
Restricted assets:				
Cash and investments		105,997	356,242	462,239
Net pension asset		11,209	20,007	31,216
Capital assets:				
Land		57,361	62,055	119,416
Construction in progress		18,250	-	18,250
Property and equipment		6,863,148	12,317,034	19,180,182
Less accumulated depreciation		(2,625,392)	(7,835,778)	(10,461,170)
Total noncurrent assets		4,430,573	4,919,560	9,350,133
Total assets		5,603,922	5,463,455	11,067,377
Deferred Outflows of Resources				
Deferred outflows related to pension		29,612	48,612	78,224

See notes to financial statements

Village of Belgium

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ 2,567	\$ 2,523	\$ 5,090
Accrued liabilities	2,144	3,300	5,444
Accrued interest	1,093	10,561	11,654
Unearned revenue	2,400	-	2,400
Current portion of general obligation debt	23,807	27,106	50,913
Liabilities payable from restricted assets:			
Accrued interest	2,494	2,751	5,245
Current portion of revenue bonds	58,202	195,298	253,500
	<u>92,707</u>	<u>241,539</u>	<u>334,246</u>
Noncurrent Liabilities			
Revenue bonds	719,121	425,750	1,144,871
General obligation debt	23,363	317,765	341,128
	<u>742,484</u>	<u>743,515</u>	<u>1,485,999</u>
Total noncurrent liabilities			
	<u>742,484</u>	<u>743,515</u>	<u>1,485,999</u>
Total liabilities	<u>835,191</u>	<u>985,054</u>	<u>1,820,245</u>
Deferred Inflow of Resources			
Deferred inflows related to pension	30,279	57,970	88,249
	<u>30,279</u>	<u>57,970</u>	<u>88,249</u>
Net Position			
Net investment in capital assets	3,488,874	3,577,392	7,066,266
Restricted for:			
Pension	11,209	20,007	31,216
Debt requirements	3,603	14,899	18,502
Impact fees	99,900	-	99,900
Equipment replacement	-	338,591	338,591
Unrestricted net position	1,164,478	518,154	1,682,632
	<u>1,164,478</u>	<u>518,154</u>	<u>1,682,632</u>
Total net position	<u>\$ 4,768,064</u>	<u>\$ 4,469,043</u>	<u>\$ 9,237,107</u>

See notes to financial statements

Village of Belgium

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Operating Revenues			
Public charges for services	\$ 616,493	\$ 981,929	\$ 1,598,422
Operating Expenses			
Operation and maintenance	232,517	346,649	579,166
Depreciation	167,775	385,338	553,113
Taxes	5,089	10,444	15,533
Total operating expenses	405,381	742,431	1,147,812
Total operating income	211,112	239,498	450,610
Nonoperating Revenues (Expenses)			
Investment income	11,646	5,177	16,823
Interest expense	(17,043)	(36,925)	(53,968)
BAB's interest subsidy	-	5,826	5,826
Total nonoperating revenues (expenses)	(5,397)	(25,922)	(31,319)
Income before transfers	205,715	213,576	419,291
Tranfers			
Transfers out	(92,970)	(87,708)	(180,678)
Total transfers	(92,970)	(87,708)	(180,678)
Change in net position	112,745	125,868	238,613
Net Position, Beginning	4,655,319	4,343,175	8,918,809
Net Position, Ending	\$ 4,768,064	\$ 4,469,043	\$ 9,237,107

See notes to financial statements

Village of Belgium

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
Cash Flows From Operating Activities			
Received from customers	\$ 618,214	\$ 966,625	\$ 1,584,839
Paid to vendors for goods and services	(193,478)	(279,861)	(473,339)
Paid to employees for operating payroll	(66,678)	(97,214)	(163,892)
Net cash flows from operating activities	358,058	589,550	947,608
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(188,150)	(233,539)	(421,689)
Principal paid on long-term debt	(100,664)	(215,813)	(316,477)
BAB's interest subsidy	-	5,826	5,826
Interest paid on long-term debt	(18,241)	(38,608)	(56,849)
Net cash flows from capital and related financing activities	(307,055)	(482,134)	(789,189)
Cash Flows From Noncapital Financing			
Tax Equivalent paid to municipality	(92,970)	(3,260)	(96,230)
Transfers	-	(84,448)	(84,448)
Net cash flows from noncapital financing activities	(92,970)	(87,708)	(180,678)
Cash Flows From Investing Activities			
Investment income	11,646	5,177	16,823
Net cash flows from investing activities	11,646	5,177	16,823
Change in cash and cash equivalents	(30,321)	24,885	(5,436)
Cash and Cash Equivalents, Beginning	1,125,795	599,261	1,725,056
Cash and Cash Equivalents, Ending	<u>\$ 1,095,474</u>	<u>\$ 624,146</u>	<u>\$ 1,719,620</u>
Reconciliation of Operating Income to Net Cash From Operating Activities:			
Operating income	\$ 211,112	\$ 239,498	\$ 450,610
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation expense	167,775	385,338	553,113
Depreciation charged to other accounts	12,608	(12,608)	-
Changes in assets and liabilities:			
Accounts payable	(8,786)	(9,723)	(18,509)
Accounts receivable	(10,831)	(1,625)	(12,456)
Taxes receivable	(55)	(1,071)	(1,126)
Accrued liabilities	576	694	1,270
Prepayments	(8,150)	(8,988)	(17,138)
Materials and Supplies	(3,252)	-	(3,252)
Pension related deferrals and liabilities	(2,939)	(1,965)	(4,904)
Net cash flows from operating activities	<u>\$ 358,058</u>	<u>\$ 589,550</u>	<u>\$ 947,608</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position - Proprietary Funds			
Cash and investments, unrestricted	\$ 989,477	\$ 267,904	\$ 1,257,381
Cash and investments, restricted	105,997	356,242	462,239
Cash and Cash Equivalents, Ending	<u>\$ 1,095,474</u>	<u>\$ 624,146</u>	<u>\$ 1,719,620</u>

See notes to financial statements

Village of Belgium

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2020

	<u>Custodial Fund</u>
	Tax
	Collection
	Fund
Assets	
Cash and investments	\$ 1,241,161
Taxes receivable	<u>723,774</u>
Total assets	<u>1,964,935</u>
Liabilities	
Liabilities	
Due to other taxing units	<u>1,964,935</u>
Total liabilities	<u>1,964,935</u>
Net position	<u>\$ -</u>

See notes to financial statements

Village of Belgium

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended December 31, 2020

	<u>Custodial Fund</u> <u>Tax</u> <u>Collection</u> <u>Fund</u>
Additions	
Tax collections	<u>\$ 1,487,344</u>
Total additions	<u>1,487,344</u>
Deductions	
Payments to overlying districts	<u>1,487,344</u>
Total deductions	<u>1,487,344</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

Village of Belgium

Index to Notes to Financial Statements
December 31, 2020

	Page
1. Summary of Significant Accounting Policies	15
Reporting Entity	15
Government-Wide and Fund Financial Statements	15
Measurement Focus, Basis of Accounting and Financial Statement Presentation	17
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	18
Deposits and Investments	18
Receivables	19
Inventories and Prepaid Items	19
Restricted Assets	20
Capital Assets	20
Deferred Outflows of Resources	20
Long-Term Obligations	21
Deferred Inflows of Resources	21
Equity Classifications	21
Pension	22
Basis for Existing Rates	22
2. Reconciliation of Government-Wide and Fund Financial Statements	
Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	23
3. Stewardship, Compliance and Accountability	23
Limitations on the Village's Tax Levy	23
4. Detailed Notes on All Funds	23
Deposits and Investments	23
Receivables	25
Restricted Assets	25
Capital Assets	26
Interfund Receivables/Payables and Transfers	29
Long-Term Obligations	30
Lease Disclosures	33
Net Position/Fund Balances	33
5. Other Information	35
Employees' Retirement System	35
Risk Management	40
Commitments and Contingencies	40
Tax Abatement	41
Effect of New Accounting Standards on Current-Period Financial Statements	42

Village of Belgium

Notes to Financial Statements
December 31, 2020

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Belgium, 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).

Reporting Entity

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

Government-Wide and Fund Financial Statements

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.

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.

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:

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

Village of Belgium

Notes to Financial Statements
December 31, 2020

- 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.

Governmental Funds

The Village reports the following major governmental funds:

General Fund

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.

Special Revenue Fund

Special Revenue - TIF No. 4 Fund is used to account for and report financial resources restricted to supporting expenditures for the TIF No. 4 fund.

Debt Service Fund

Debt Service Fund is 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 the enterprise fund debt.

Capital Projects Fund

Capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Enterprise Funds

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.

In addition, the Village reports the following fund type:

Custodial Funds

Custodial Funds are 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 Belgium

Notes to Financial Statements
December 31, 2020

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, 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. At December 31, 2020, there were \$24,316 of unrecorded anticipated future assessments which are not recorded as receivables because collection is subject to certain events occurring in the future. No formal repayment schedule has been established.

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 Funds

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

Village of Belgium

Notes to Financial Statements
December 31, 2020

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 village's enterprise 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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:

- Time deposits in any credit union, bank, savings bank or trust company.
- 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.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments. The policy addresses custodial credit risk by stating the village will diversify its investment portfolio to avoid incurring unreasonable risks for potential losses.

18

Village of Belgium

Notes to Financial Statements
December 31, 2020

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 based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 4. for further information.

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 - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

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 and other delinquent bills are generally not significant.

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.

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. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

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.

19

Village of Belgium

Notes to Financial Statements
December 31, 2020

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.

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets and an estimated useful life in excess of 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.

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:

	Years
Buildings	15-50
Land Improvements	15-40
Machinery and Equipment	5-25
Utility System	18-77
Infrastructure	20-40

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.

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.

20

Village of Belgium

Notes to Financial Statements
December 31, 2020

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.

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 straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

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.

Equity Classifications

Government-Wide Statements

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

- 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.
- 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.
- 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:

- 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.
- 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.

21

Village of Belgium

Notes to Financial Statements
December 31, 2020

- 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.
- 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, with Board approval, 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.

See Note 4, for further information.

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.

Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on September 15, 2020.

Sewer Utility

Current sewer rates were approved by the Village board and placed into effect in September 15, 2019

22

Village of Belgium

Notes to Financial Statements
December 31, 2020

2. Reconciliation of Government-Wide and Fund Financial Statements

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	\$	291,800
Construction in progress		246,075
Other Assets		14,718,666
Less accumulated depreciation		(8,784,201)
		<u>\$ 6,472,340</u>

Combined adjustment for capital assets

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	\$	4,096,013
Accrued interest		50,653
Unamortized debt premium		66,452
		<u>\$ 4,213,118</u>

Combined adjustment for long-term liabilities

3. Stewardship, Compliance and Accountability

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.

4. Detailed Notes on All Funds

Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. In addition, investments are separately held by several of the village funds.

23

Village of BelgiumNotes to Financial Statements
December 31, 2020

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

	Carrying Value	Statement Balances	Associated Risks
Demand Deposits	\$ 5,983,507	\$ 5,333,437	Custodial credit risk
Petty cash	100	-	N/A
Total deposits and investments	<u>\$ 5,983,607</u>	<u>\$ 5,333,437</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 4,170,904		
Restricted cash and investments	571,542		
Per statement of net position, fiduciary funds			
Custodial fund	<u>1,241,161</u>		
Total deposits and investments	<u>\$ 5,983,607</u>		

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.

The Village maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$9,616,362 to secure the Village's deposits.

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, 2020, \$4,532,925 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the Village's name	<u>\$ 4,532,925</u>
Total	<u>\$ 4,532,925</u>

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

Village of BelgiumNotes to Financial Statements
December 31, 2020**Receivables**

Receivables as of year end for the government's individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are detailed on the governmental funds balance sheet, proprietary funds statement of net position and fiduciary funds statement of assets and liabilities. All of the receivables on the balance sheet are expected to be collected within one year, except for delinquent personal property taxes of \$963.

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

	Unearned
Property taxes receivable for subsequent year	<u>\$ 1,724,190</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 1,724,190</u>

At the end of the current fiscal year, the various components of unearned revenue in the proprietary funds were as follows:

	Unearned
Cell tower rental payments	<u>\$ 2,400</u>
Total unearned revenue for proprietary funds	<u>\$ 2,400</u>

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

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.

Impact Fee Account

The Village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Village of Belgium

Notes to Financial Statements
December 31, 2020

Following is a list of restricted assets at December 31, 2020:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 23,749	\$ 5,245	\$ 18,502
Equipment replacement account	338,591	-	338,591
Water and sewer impact fee account	99,900	-	99,900
Park impact fees	15,703	-	15,703
Pension	66,781	-	66,781
Stormwater fee	93,600	-	93,600
Total	\$ 638,324	\$ 5,245	\$ 633,077

Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 291,800	\$ -	\$ -	\$ 291,800
Construction in progress	254,185	-	8,110	246,075
Total capital assets not being depreciated	545,985	-	8,110	537,875
Capital assets being depreciated:				
Land improvements	348,757	-	-	348,757
Buildings	1,130,178	-	-	1,130,178
Equipment	1,235,686	68,271	56,957	1,247,000
Streets	6,209,385	173,385	58,948	6,323,822
Sidewalk	572,692	-	-	572,692
Curb and gutter	1,004,354	-	-	1,004,354
Storm sewer	4,060,127	31,736	-	4,091,863
Total capital assets being depreciated	14,561,179	273,392	115,905	14,718,666
Total capital assets	15,107,164	273,392	124,015	15,256,541
Less accumulated depreciation for:				
Land improvements	(232,056)	(8,782)	-	(241,838)
Buildings	(326,437)	(36,589)	-	(363,026)
Equipment	(690,806)	(46,647)	56,957	(680,496)
Streets	(3,371,417)	(108,801)	58,948	(3,421,270)
Sidewalk	(251,427)	(15,307)	-	(266,734)
Curb and gutter	(670,920)	(20,741)	-	(691,661)
Storm sewer	(2,997,652)	(121,524)	-	(3,119,176)
Total accumulated depreciation	(8,540,715)	(359,391)	115,905	(8,784,201)
Net capital assets being depreciated	6,020,464	(85,999)	-	5,934,465
Total governmental activities capital assets, net of accumulated depreciation	\$ 6,566,449	\$ (85,999)	\$ 8,110	\$ 6,472,340

Village of Belgium

Notes to Financial Statements
December 31, 2020

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 21,732
Public safety	4,270
Public works	311,560
Culture, recreation and education	21,829
Total governmental activities Depreciation expense	\$ 359,391

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land	\$ 57,361	\$ -	\$ -	\$ 57,361
Construction in progress	18,250	-	-	18,250
Total capital assets not being depreciated	75,611	-	-	75,611
Capital assets being depreciated:				
Source of supply	160,156	-	-	160,156
Pumping	706,471	-	-	706,471
Water treatment	62,663	-	-	62,663
Transmission	5,319,291	188,150	-	5,507,441
General	426,417	-	-	426,417
Total capital assets being depreciated	6,674,998	188,150	-	6,863,148
Total capital assets	6,750,609	188,150	-	6,938,759
Less accumulated depreciation for:				
Source of supply	(47,214)	(4,645)	-	(51,859)
Pumping	(246,045)	(25,853)	-	(271,898)
Water treatment	(26,500)	(3,760)	-	(30,260)
Transmission	(1,899,506)	(106,254)	-	(2,005,760)
General	(225,745)	(39,870)	-	(265,615)
Total accumulated depreciation	(2,445,010)	(180,382)	-	(2,625,392)
Net capital assets being depreciated	4,229,988	7,768	-	4,237,756
Net water capital assets	\$ 4,305,599	\$ 7,768	\$ -	\$ 4,313,367

Village of Belgium

Notes to Financial Statements
December 31, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated:				
Land	\$ 62,055	\$ -	\$ -	\$ 62,055
Total capital assets not being depreciated	62,055	-	-	62,055
Capital assets being depreciated:				
Collecting plant	5,081,214	119,377	50,777	5,149,814
Collecting pumping	1,308,850	6,562	5,995	1,309,417
Treatment	5,531,014	107,600	95,708	5,542,906
General	314,897	-	-	314,897
Total capital assets being depreciated	12,235,975	233,539	152,480	12,317,034
Total capital assets	12,298,030	233,539	152,480	12,379,089
Less accumulated depreciation for				
Collecting plant	(1,411,607)	(117,965)	50,777	(1,478,795)
Collecting pumping	(866,347)	(65,308)	5,995	(925,660)
Treatment	(5,124,236)	(167,463)	95,708	(5,195,991)
General	(213,337)	(21,995)	-	(235,332)
Total accumulated depreciation	(7,615,527)	(372,731)	152,480	(7,835,778)
Net capital assets being depreciated	4,620,448	(139,192)	-	4,481,256
Net sewer capital assets	4,682,503	(139,192)	-	4,543,311
Business-type capital assets, net of accumulated depreciation	8,988,102	(131,424)	-	8,856,678

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 180,382
Sewer	372,731
Total business-type activities depreciation expense	\$ 553,113

Difference between the depreciation expense reported above and the amounts reported in the statement of revenues, expenses and changes in net position are related to depreciation charges between funds.

Village of Belgium

Notes to Financial Statements
December 31, 2020

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
Water Utility		General Fund	\$ 10,984
Sewer Utility		General Fund	28,753
Total			39,737
Less government-wide eliminations			-
Total internal balances, government-wide statement of net position			\$ 39,737

All amounts are due within one year.

The principal purpose of these interfunds is related to delinquent utilities. 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.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Debt Service Fund	Special Revenue - TIF No. 4 Fund	\$ 544,596	Payment of debt
General Fund	Water Utility	92,970	Utility tax equivalent
General Fund	Sewer Utility	3,260	Utility tax equivalent
Capital Projects Fund	General Fund	392,173	Capital projects fund transfers
General Fund	Special Revenue - TIF No. 4 Fund	93,163	Payment for construction per developer agreement
Debt Service	Sewer Utility	84,448	Payment of debt
Total, fund financial statements		1,210,610	
Less fund eliminations		(1,029,932)	
Total transfers, government-wide statement of activities		\$ 180,678	

Fund Transferred To	Fund Transferred From	Amount
Governmental activities	Business-type activities	\$ 180,678
Business-type activities	Governmental activities	-
Total government-wide financial statements		\$ 180,678

Village of Belgium

Notes to Financial Statements
December 31, 2020

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.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 4,175,000	\$ -	\$ 180,000	\$ 3,995,000	\$ 185,000
General obligation notes from direct borrowings and direct placements (Discounts)/Premiums:	684,362	-	583,349	101,013	101,013
	70,342	-	3,890	66,452	-
Subtotal	4,929,704	-	767,239	4,162,465	286,013
Other liabilities:					
Net pension liability	33,983	-	33,983	-	-
Total other liabilities	33,983	-	33,983	-	-
Total governmental activities long-term liabilities	\$ 4,963,687	\$ -	\$ 801,222	\$ 4,162,465	\$ 286,013
Business-Type Activities					
Bonds and notes payable:					
General obligation notes from direct borrowings and direct placements	\$ 461,306	\$ -	\$ 69,265	\$ 392,041	\$ 50,913
Revenue bonds	1,645,583	-	247,212	1,398,371	253,500
Subtotal	2,106,889	-	316,477	1,790,412	304,413
Other liabilities:					
Net pension liability	41,056	-	41,056	-	-
Total other liabilities	41,056	-	41,056	-	-
Total business-type activities long-term liabilities	\$ 2,147,945	\$ -	\$ 357,533	\$ 1,790,412	\$ 304,413

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5 percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2020, was \$11,099,155. Total general obligation debt outstanding at year end was \$4,488,054.

Village of Belgium

Notes to Financial Statements
December 31, 2020

General Obligation Debt

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

Governmental Activities						
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020	
GO Promissory Notes	7/25/01	5/1/21	2.75%	\$ 1,398,671	\$ 93,043	
GO Refunding Bond	3/27/08	3/1/21	3.7%-5.4%	405,000	40,000	
Promissory Note	7/28/16	7/1/21	3.09%	63,883	7,970	
GO Promissory Notes	5/4/17	5/1/37	1.45-3.875%	4,300,000	3,955,000	
Total governmental activities, general obligation debt					\$ 4,096,013	
Business-Type Activities						
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020	
State Trust Fund Loan	9/15/10	3/15/30	5.25%	\$ 300,000	\$ 198,077	
State Trust Fund Loan	12/13/10	3/15/30	5.25%	225,000	146,794	
State Trust Fund Loan	3/15/12	3/12/22	3.0%	404,000	47,170	
Total business-type activities, general obligation debt					\$ 392,041	

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-Type Activities General Obligation Debt	
	Principal	Interest		Principal	Interest
2021	\$ 185,000	\$ 127,045		\$ 50,913	\$ 19,521
2022	150,000	47,744		51,892	17,384
2023	155,000	38,288		30,027	15,185
2024	205,000	28,131		31,566	13,646
2025	210,000	17,250		33,260	11,951
2026-2030	1,140,000	427,700		194,383	31,676
2031-2035	1,350,000	234,798			
2036-2037	600,000	23,063			
Total	\$ 3,995,000	\$ 944,019		\$ 392,041	\$ 109,363
Years	Governmental Activities General Obligation Notes From Direct Borrowings And Direct Placements			Business-Type Activities General Obligation Notes From Direct Borrowings And Direct Placements	
	Principal	Interest		Principal	Interest
2021	\$ 101,013	\$ 1,362		\$ 50,913	\$ 19,521
2022	-	73,796		51,892	17,384
2023	-	78,678		30,027	15,185
2024	-	83,434		31,566	13,646
2025	-	88,090		33,260	11,951
2026-2030	-	-		194,383	31,676
Total	\$ 101,013	\$ 325,360		\$ 392,041	\$ 109,363

Village of Belgium

Notes to Financial Statements
December 31, 2020

Village of Belgium

Notes to Financial Statements
December 31, 2020

The Village's outstanding notes from direct borrowings and/or direct placements related to governmental and business activities of \$101,013 and \$392,041 respectively contains provisions that in an event of default, outstanding amounts are recoverable by the State, including any penalty, by deducting that amount from any State payments due to the Village.

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water and Sewer Utility.

The Village has pledged future water and sewer operating revenues, net of specified operating expenses, to repay revenue bonds issued in 2003 and 2013. Proceeds from the bonds provided financing for the capital additions. The bonds are payable solely from water and sewer revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require 10.00 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,569,749. Principal and interest paid for the current year and total customer net revenues were \$281,824 and \$1,026,372, respectively.

Revenue debt payable at December 31, 2020, consists of the following:

Business-Type Activities Revenue Debt

Sewer utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Clean Water Fund Loan, Direct	5/1/03	5/1/21	2.75%	\$ 2,439,403	\$ 162,277
Clean Water Fund Loan, Direct	3/13/13	5/1/32	2.63%	667,439	458,771
				Total sewer utility	621,048
Water Utility					
Clean Water Fund Loan, Direct	3/13/13	5/1/32	1.93%	1,155,093	777,323
					\$ 1,398,371
Total business-type activities, revenue debt					

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt	
	Principal	Interest
2021	\$ 253,500	\$ 28,244
2022	93,210	24,003
2023	95,241	21,949
2024	97,318	19,849
2025	99,441	17,702
2026-2030	530,751	54,589
2031-2032	228,910	5,041
Total	\$ 1,398,371	\$ 171,377

32

Lease Disclosures**Lessor, Operating Leases**

The village has lease agreements with cellular phone companies to enter into a space lease for cellular antennas. The initial term of the leases were five years with the right to extend the leases for additional five year terms with a continued agreement until termination by either parties. Rental income for the year ended December 31, 2020 was \$40,672.

Years	Business-Type Activities	
	Principal	
2021	\$ 41,881	
2022	41,881	
2023	41,881	
Total	\$ 125,643	

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2020, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 291,800
Construction in progress	246,075
Other capital assets, net of accumulated depreciation	5,934,465
Less long-term debt outstanding	(4,096,013)
Less unamortized debt premium	(66,452)
Total net investment in capital assets	2,309,875
Restricted:	
TIF purposes	455,739
Impact fees	109,303
Pension	35,565
Tourism	13,342
Total restricted	613,949
Unrestricted	1,027,451
Total governmental activities net position	\$ 3,951,275

33

Village of Belgium

Notes to Financial Statements
December 31, 2020

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

Nonspendable	
Major Fund:	
General Fund:	
Delinquent personal property taxes	\$ 963
Prepaid items	14,080
Total	<u>\$ 15,043</u>
Restricted	
Major Fund:	
General Fund:	
Park impact and Stormwater fees	\$ 109,303
Tourism	13,342
Subtotal	<u>122,645</u>
Special Revenue, TIF No.4 Fund:	
TIF purposes	<u>455,739</u>
Total	<u>\$ 578,384</u>

Assigned

Major Funds:	
General Fund:	
2021 budgeted use of fund balance	\$ 4,500
Brine Tank	7,000
Tires for street sweeper	1,600
Aerator for lawns	4,000
Break room remodeling - garage #1	3,000
Village hall repairs and equipment	2,500
Generator	1,200
Concrete mixer	550
Computer	<u>1,600</u>
	<u>25,950</u>

Capital Projects Fund:
Capital projects

745,835

\$ 771,785

Total

Unassigned

Major Funds:	
General fund	\$ 326,309
Total	<u>\$ 326,309</u>

34

Village of Belgium

Notes to Financial Statements
December 31, 2020

Business-Type Activities

Net investment in capital assets:

Land	\$ 119,416
Construction in progress	18,250
Other capital assets, net of accumulated depreciation	8,719,012
Less Long-term debt outstanding	<u>(1,790,412)</u>
Total net investment in capital assets	<u>7,086,266</u>
Restricted:	
Debt requirements	18,502
Impact fees	99,900
Equipment replacement	338,591
Pension	<u>31,216</u>
Total restricted	<u>488,209</u>
Unrestricted	<u>1,682,632</u>
Total business-type activities net position	<u>\$ 9,237,107</u>

5. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1,200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at

<http://etf.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

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

35

Village of Belgium

Notes to Financial Statements
December 31, 2020

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2019	0.0	(10.0)

Contributions

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

During the reporting period, the WRS recognized \$21,399 in contributions from the Village.

36

Village of Belgium

Notes to Financial Statements
December 31, 2020

Contribution rates for the plan year reported as of December 31, 2020 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.55 %	6.55 %
Protective with Social Security	6.55 %	10.55 %
Protective without Social Security	6.55 %	14.95 %

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

At December 31, 2020, the Village reported an asset of \$66,781 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Village's proportion was 0.00207108 percent, which was a decrease of 0.00003815 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Village recognized pension expense of \$24,606.

At December 31, 2020, 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	\$ 126,765	\$ 63,437
Changes in assumptions	5,204	-
Net differences between projected and actual earnings on pension plan investments	-	136,524
Changes in proportion and differences between employer contributions and proportionate share of contributions	496	157
Employer contributions subsequent to the measurement date	22,595	-
Total	\$ 155,060	\$ 200,118

37

Village of Belgium

Notes to Financial Statements
December 31, 2020

\$22,595 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2021	\$ (19,894)
2022	(14,976)
2023	2,363
2024	(35,146)

Actuarial Assumptions

The total pension asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
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:	3.0%
Inflation	0.1% - 5.6%
Seniority/Merit	Wisconsin 2018 Mortality Table
Mortality:	1.9%
Post-Retirement Adjustments*:	

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9 percent 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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

38

Village of Belgium

Notes to Financial Statements
December 31, 2020

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 geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation Percentage	Long-Term Expected Nominal Rate of Return Percentage	Long-Term Expected Real Rate of Return Percentage
Global Equities	49 %	8.0 %	5.1 %
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75 percent 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 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

39

Village of Belgium

Notes to Financial Statements
December 31, 2020

Sensitivity of the Village's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the Village's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension (asset) liability 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%)
\$ 171,973	\$ (66,781)	\$ (245,277)

Village's proportionate share of the net pension liability (asset)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://efw.wi.gov/about-efw/reports-and-studies/financial-reports-and-statements>.

At December 31, 2020, the Village reported a payable to the pension plan of \$3,710 which represents contractually required contributions outstanding as of the end of the year.

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.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability band 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.

Village of Belgium

Notes to Financial Statements
December 31, 2020

In 2017, the Village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was \$3,802,244 and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 4.

Payments are scheduled through the year 2023 and carry an interest rate of 3.50-6.50 percent. The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$1,160,386.

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.

The Village is disclosing all abatement agreements individually.

The Village through its Tax Incremental Financing Districts (TID) No. 4 has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2020 Payments
Team Belgium, LLC Taxable G.O. Revenue Bonds 2009C	70 percent of gross tax increment	70 percent of gross tax increment	\$ 73,733
Jer-Mar Park, LLC (Bond A) Taxable G.O. Revenue Bonds 2009D	70 percent of gross nonresidential (industrial) tax increment	70 percent of gross nonresidential (industrial) tax increment	14,972
Jer-Mar Park, LLC (Bond B) Taxable G.O. Revenue Bonds 2009E	40 percent of the residential tax increment, limited to 75 percent of the total cumulative payment to the Developer	40 percent of the residential tax increment, limited to 75 percent of the total cumulative payment to the Developer	12,518
Ansary Development Corporation, Taxable Revenue Bond A, 2013A	Predetermined amount from developer agreement, interest rate of 3.5 percent, subject to availability of revenues	Predetermined amount from developer agreement, interest rate of 3.5 percent, subject to availability of revenues	229,535

Village of Belgium

Notes to Financial Statements
December 31, 2020

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. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

Village of Belgium

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget		
	Original & Final					
Revenues						
Taxes	\$	785,744	\$	784,454	\$	(1,290)
Intergovernmental revenues		209,441		251,444		42,003
Licenses and permits		49,750		58,951		9,201
Fines, forfeitures and penalties		800		1,295		495
Public charges for services		168,955		170,855		1,900
Intergovernmental charges for services		-		12,292		12,292
Investment income		30,000		7,958		(22,042)
Miscellaneous		11,241		44,650		33,409
Total revenues		1,255,931		1,331,899		75,968
Expenditures						
Current:						
General government		183,100		189,604		(6,504)
Public safety		280,723		278,278		2,445
Public works		449,762		441,567		8,195
Leisure activities		86,790		73,845		12,945
Conservation and development		25,610		10,690		14,920
Capital outlay		234,409		274,771		(40,362)
Debt Service:						
Principal		12,863		13,335		(472)
Interest and fiscal charges		943		471		472
Total expenditures		1,274,200		1,282,561		(8,361)
Excess of revenues under expenditures		(18,269)		49,338		67,607
Other Financing Sources (Uses)						
Transfers in		196,662		189,393		(7,269)
Transfers out		(413,421)		(392,174)		21,247
Total other financing sources (uses)		(216,759)		(202,781)		13,978
Net change in fund balance		\$ (235,028)		(153,443)		\$ 81,585
Fund Balance, Beginning				643,390		
Fund Balance, Ending				\$ 489,947		

See notes to required supplementary information
43

Village of Belgium

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund - TIF No. 4
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original & Final			
Revenues				
Taxes	\$ 839,129	\$ 802,840	\$ (36,289)	
Intergovernmental revenues	8,257	8,617	360	
Investment income	5,000	7,440	2,440	
Total revenues	852,386	818,897	(33,489)	
Expenditures				
Current:				
General government	12,042	13,434	(1,392)	
Debt service:				
Principal	263,849	265,828	(1,979)	
Interest and fiscal charges	68,445	64,928	3,517	
Total expenditures	344,336	344,190	146	
Excess of revenues over expenditures	508,050	474,707	(33,343)	
Other Financing Uses				
Transfers out	(640,595)	(637,758)	2,837	
Total other financing uses	(640,595)	(637,758)	2,837	
Net Change in Fund Balance	\$ (132,545)	(163,051)	\$ (30,506)	
Fund Balance, Beginning		618,790		
Fund Balance, Ending		\$ 455,739		

See notes to required supplementary information
44

Village of Belgium

Schedule of Proportionate Share of the Net Pension Asset (Liability) - Wisconsin Retirement System
Year Ended December 31, 2020

WRS Fiscal Year Ending	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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12/31/14	0.00230000%	\$	56,495	\$	315,068	17.93%	102.74%
12/31/15	0.00224933%	(36,551)		312,726		11.69%	98.20%
12/31/16	0.00220361%	(18,163)		311,849		5.82%	99.12%
12/31/17	0.00215795%	64,072		314,410		20.38%	102.93%
12/31/18	0.00210923%	(75,039)		328,957		23.73%	96.45%
12/31/19	0.00207108%	(66,781)		326,704		20.44%	102.96%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2020

Village Calendar Year Ending	Contractually Required Contributions		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	\$		\$				
12/31/15		20,693	\$	20,693	\$ -	312,726	6.62%
12/31/16		21,257		21,257	-	311,849	6.82%
12/31/17		22,114		22,114	-	314,410	7.03%
12/31/18		21,366		21,366	-	328,957	6.50%
12/31/19		21,436		21,436	-	326,404	6.57%
12/31/20		22,595		22,595	-	334,776	6.75%

See notes to the required supplementary information
45

Village of Belgium

Notes to Required Supplementary Information
Year Ended December 31, 2020

Budgetary Information

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

The budgeted amounts presented 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 (WRS) Pension

The amounts presented in relation to the schedule of employer's proportionate share of the net pension asset and the schedule of employer contributions represents the specific data of the Village. The information was derived using a combination of the employer's contribution data along with the data provided by the Wisconsin Retirement System in relation to the Village as a whole.

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

Changes of assumptions. No significant change in assumptions were noted from the prior year.

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

FORM OF LEGAL OPINION

(See following pages)

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

May 27, 2021

Re: Village of Belgium, Wisconsin ("Issuer")
\$2,250,000 General Obligation Promissory Notes, Series 2021A,
dated May 27, 2021 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. 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 Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$435,000	____%
2023	445,000	____
2024	450,000	____
2025	455,000	____
2026	465,000	____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2022.

The Notes are not subject to optional redemption.

[The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes.

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Belgium, Ozaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$2,250,000 General Obligation Promissory Notes, Series 2021A, dated May 27, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 10, 2021 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). The Issuer is an obligated person with respect to not more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Securities but excluding obligations exempt from the Rule). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated May 10, 2021 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 Belgium, Ozaukee 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 104 Peter Thein Avenue, Belgium, Wisconsin 53004-9520, phone (262) 285-7931, fax (262) 285-3479.

"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, 2021, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 27th day of May, 2021.

(SEAL)

Peter Anzia
President

Julie Lesar
Village Clerk

NOTICE OF SALE

\$2,250,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A VILLAGE OF BELGIUM, WISCONSIN

Bids for the purchase of \$2,250,000* General Obligation Promissory Notes, Series 2021A (the "Notes") of the Village of Belgium, 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 May 10, 2021, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including water and sewer system extensions and improvements. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated May 27, 2021, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on April 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$435,000	2024	\$450,000	2026	\$465,000
2023	445,000	2025	455,000		

ADJUSTMENT OPTION

* The Village reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 April 1 and October 1 of each year, commencing April 1, 2022, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL PREPAYMENT

The Notes are not subject to optional prepayment.

DELIVERY

On or about May 27, 2021, the Notes 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 Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes 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 Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the Village; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$2,227,500 nor more than \$2,385,000 plus accrued interest on the principal sum of \$2,250,000 from date of original issue of the Notes 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 \$45,000 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 Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

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

BOND INSURANCE

If the Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the 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 Notes as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the 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 Notes. 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes) will apply to the initial sale of the Notes (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 Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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 Notes 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 Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (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 Notes (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 Notes 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 Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

(2) the date on which the underwriters have sold at least 10% of that maturity of the Notes 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 (5th) business day after the sale whether it has sold 10% of that maturity of the Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(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 Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of

the Notes, 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 Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes 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 Notes 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 Notes 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 Notes 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 Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes 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 Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes 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 Notes 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 Notes 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 Notes to the public),

(iii) a purchaser of any of the Notes 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 Notes 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 Notes 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 Village Board

Julie Lesar, Village Clerk
Village of Belgium, Wisconsin

BID FORM

The Village Board
Village of Belgium, Wisconsin

May 10, 2021

RE: \$2,250,000* General Obligation Promissory Notes, Series 2021A (the "Notes")
DATED: May 27, 2021

For all or none of the above Notes, 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 \$2,227,500 nor more than \$2,385,000) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2022	_____ % due	2024	_____ % due	2026
_____ % due	2023	_____ % due	2025		

* The Village reserves the right to increase or decrease the principal amount of the Notes 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. A rating for the Notes may not be requested without contacting Ehlers and receiving the permission of the Village.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$45,000 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 Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the 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 Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 27, 2021.

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 Notes.

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 Notes within 24 hours of the bid acceptance.

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

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

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 27, 2021 of the above bid is \$_____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Belgium, Wisconsin, on May 10, 2021.

By: _____	By: _____
Title: _____	Title: _____