

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

PRELIMINARY OFFICIAL STATEMENT DATED JULY 20, 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 Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

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

New Issue

Non-Rated

VILLAGE OF ORFORDVILLE, WISCONSIN (Rock County)

\$3,335,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A

BID OPENING: July 26, 2021, 10:00 A.M., C.T.

CONSIDERATION: July 26, 2021, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,335,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds") are authorized pursuant to Section 67.04, Wisconsin Statutes, by the Village of Orfordville, Wisconsin (the "Village"), for the public purposes of paying the cost of street improvement projects, water system projects and sewerage projects, consisting of sanitary sewer and storm water projects, and current refunding certain outstanding obligations of the Village. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: August 18, 2021

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$125,000	2029	\$190,000	2036	\$140,000
2023	130,000	2030	185,000	2037	145,000
2024	190,000	2031	185,000	2038	140,000
2025	195,000	2032	185,000	2039	135,000
2026	195,000	2033	190,000	2040	135,000
2027	195,000	2034	200,000	2041	140,000
2028	195,000	2035	140,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on March 1, 2032 and thereafter are subject to call for prior optional redemption on March 1, 2031 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,293,312.

MAXIMUM BID: \$3,535,100.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$66,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL & 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).



BUILDING COMMUNITIES. IT'S WHAT WE DO.

✉ info@ehlers-inc.com

☎ 1 (800) 552-1171

🌐 www.ehlers-inc.com

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Bonds.

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

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

Preliminary Official Statement: This Preliminary Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Village is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT. 1</p> <p>THE BONDS. 1</p> <p style="padding-left: 20px;">GENERAL. 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION. 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE. 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES. 2</p> <p style="padding-left: 20px;">SECURITY. 3</p> <p style="padding-left: 20px;">RATING. 3</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE. 3</p> <p style="padding-left: 20px;">LEGAL MATTERS. 3</p> <p style="padding-left: 20px;">TAX EXEMPTION. 4</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT. 4</p> <p style="padding-left: 20px;">BOND PREMIUM. 5</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS. 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR. 6</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED COMPANIES. 6</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS. 6</p> <p style="padding-left: 20px;">RISK FACTORS. 6</p> <p>VALUATIONS. 10</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES. 10</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS. 11</p> <p style="padding-left: 20px;">2020 EQUALIZED VALUE BY CLASSIFICATION. 11</p> <p style="padding-left: 20px;">TREND OF VALUATIONS. 11</p> <p style="padding-left: 20px;">LARGER TAXPAYERS. 12</p> <p>DEBT. 13</p> <p style="padding-left: 20px;">DIRECT DEBT. 13</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT. 14</p> <p style="padding-left: 20px;">SCHEDULE OF SEWER REVENUE DEBT. 15</p> <p style="padding-left: 20px;">DEBT LIMIT. 16</p> <p style="padding-left: 20px;">OVERLAPPING DEBT. 16</p> <p style="padding-left: 20px;">DEBT RATIOS. 17</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY. 17</p> <p style="padding-left: 20px;">FUTURE FINANCING. 17</p>	<p>TAX LEVIES AND COLLECTIONS. 18</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS. 18</p> <p style="padding-left: 20px;">PROPERTY TAX RATES. 19</p> <p style="padding-left: 20px;">LEVY LIMITS. 19</p> <p>THE ISSUER. 21</p> <p style="padding-left: 20px;">VILLAGE GOVERNMENT. 21</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS. 21</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS. 22</p> <p style="padding-left: 20px;">LITIGATION. 22</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY. 23</p> <p style="padding-left: 20px;">FUNDS ON HAND. 23</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS. 24</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION. 25</p> <p>GENERAL INFORMATION. 26</p> <p style="padding-left: 20px;">LOCATION. 26</p> <p style="padding-left: 20px;">LARGER EMPLOYERS. 26</p> <p style="padding-left: 20px;">BUILDING PERMITS. 27</p> <p style="padding-left: 20px;">U.S. CENSUS DATA. 28</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA. 28</p> <p>FINANCIAL STATEMENTS. A-1</p> <p>FORM OF LEGAL OPINION. B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM. C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE. D-1</p> <p>NOTICE OF SALE. E-1</p> <p>BID FORM</p>
---	--

VILLAGE OF ORFORDVILLE VILLAGE BOARD

		<u>Term Expires</u>
Gary Phillips	Village President	April 2023
Terry Gerber	Trustee	April 2022
Jason Knox	Trustee	April 2022
Beth Schmidt	Trustee	April 2023
Kratina Suiter Meyers	Trustee	April 2022
Nikki Tuffree	Trustee	April 2023
Cami Myers Alstat	Trustee	April 2023

ADMINISTRATION

Sherri Waege, Village Clerk/Treasurer

PROFESSIONAL SERVICES

Michael Oellerich, Nowlan Law LLP, Village Attorney, Janesville, 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 Orfordville, Wisconsin (the "Village") and the issuance of its \$3,335,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Village Board on July 26, 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 BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 18, 2021. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The Village 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

At the option of the Village, the Bonds maturing on or after March 1, 2032 shall be subject to optional redemption prior to maturity on March 1, 2031 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of street improvement projects, water system projects and sewerage projects, consisting of sanitary sewer and storm water projects, and current refunding the Village’s General Obligation Corporate Purpose Bonds, dated June 25, 2008 (the "2008 Bonds") and the State Trust Fund Loan, dated December 11, 2015 (the "2015 Loan" and together with the 2008 Bonds, the “Prior Issues”) as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 686170
2008 Bonds	6/25/08	8/30/21	Par	2022	4.00%	\$40,000	BL4
				2025	4.25%	125,000	BP5
				2028	4.50%	<u>140,000</u>	BS9
Total 2008 Bonds Being Refunded						<u>\$305,000</u>	

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2015 Loan	12/11/15	8/30/21	Par	2022-2034	3.75%	\$673,531
Total 2015 Loan Being Refunded						<u>\$673,531</u>

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$3,335,000
Estimated Interest Earnings	<u>563</u>
Total Sources	\$3,335,563

Uses

Estimated Underwriter's Discount	\$41,688
Costs of Issuance	51,950
Deposit to Project Construction Fund	2,250,000
Deposit to Current Refunding Fund	991,221
Rounding Amount	<u>704</u>
Total Uses	\$3,335,563

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

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

CONTINUING DISCLOSURE

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

In the previous five years, the Village 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 the disclosure dissemination agent for the Village.

LEGAL MATTERS

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable 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 Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this 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, 2019 have been audited by James R. Frechette, Certified Public Accountant, Mukwonago, 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 Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

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

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

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

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

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

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

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

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

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

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

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

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and 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 is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Village's allocation is \$23,931. These funds were to be disbursed up to the amount of the allocation after eligible expenditures were 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, with half to be received in 2021 and half to be received in 2022. The Village's allocation is \$156,794.

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.

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	\$86,312,900
2020 Equalized Value Reduced by Tax Increment Valuation	\$78,175,200
2020 Assessed Value	\$72,509,000

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value¹	Percent of Total Equalized Value
Residential	\$ 70,192,900	81.324%
Commercial	15,425,300	17.871%
Manufacturing	146,600	0.170%
Agricultural	73,900	0.086%
Undeveloped	6,500	0.008%
Personal Property	467,700	0.542%
Total	<u>\$ 86,312,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2016	\$69,406,600	\$67,883,900	4.28%
2017	69,733,900	70,564,200	3.95%
2018	70,443,300	76,733,900	8.74%
2019	71,661,400	79,343,200	3.40%
2020	72,509,000	86,312,900	8.78%

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
MBAB Inc	Chevrolet Dealership	\$ 2,147,454	2.49%
Ehle Inc.	Apartment Houses	2,102,339	2.44%
Rock County Ventures	Grain Facility	1,820,813	2.11%
LRN Properties	Commercial and Apartment Rentals	1,574,522	1.82%
Gerber Investments	Ace Hardware	1,244,666	1.44%
Orfordville C Store	Gas Station and Convenience Store	1,049,562	1.22%
HP Wealth Management	Dollar General Store	901,240	1.04%
Randall & Robert Ehle	Apartment Houses	732,087	0.85%
Salvatore Mazzarisi	Villa Pizza Restaurant	635,785	0.74%
Farmers & Merchant's Bank	Financial Institution	365,567	0.42%
Total		\$ 12,574,035	14.57%
Village's Total 2020 Equalized Value ²		\$86,312,900	

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 Bonds)* \$ 3,684,661

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues \$ 3,748,919

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds and excludes the obligations to be refunded.

Village of Orfordville, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 08/18/2021)

Calendar Year Ending	Promissory Notes		State Trust Fund Loan		State Trust Fund Loan		Corporate Purpose Bonds Series 2021A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Estimated Interest				
2021			0	0	0	0	0	0	0	3,684,661	.00%	2021
2022	11/12/2012 \$422,926	03/15	42,293	1,163	0	7,243	125,000	59,898	309,796	3,446,596	6.46%	2022
2023					56,261	6,699	130,000	56,740	268,182	3,243,591	11.97%	2023
2024					57,949	6,151	150,000	55,285	267,040	3,037,987	17.55%	2024
2025					15,604	5,550	195,000	53,359	270,114	2,826,781	23.28%	2025
2026					16,206	4,942	195,000	51,165	271,114	2,614,968	29.03%	2026
2027					17,444	4,311	195,000	48,728	265,483	2,402,523	34.80%	2027
2028					18,088	3,667	195,000	46,046	262,802	2,189,435	40.58%	2028
2029					18,777	2,979	190,000	43,113	254,868	1,980,659	46.25%	2029
2030					19,481	2,275	185,000	40,020	243,775	1,776,178	51.80%	2030
2031					20,211	1,544	185,000	36,783	240,069	1,570,967	57.36%	2031
2032					20,967	788	185,000	33,314	219,563	1,365,000	62.95%	2032
2033							190,000	29,563	219,563	1,175,000	68.11%	2033
2034							200,000	25,465	225,465	975,000	73.54%	2034
2035							140,000	21,775	161,775	835,000	77.34%	2035
2036							140,000	18,660	158,660	695,000	81.14%	2036
2037							145,000	15,418	160,418	550,000	85.07%	2037
2038							140,000	12,105	152,105	410,000	88.87%	2038
2039							135,000	8,806	143,806	275,000	92.54%	2039
2040							135,000	5,431	140,431	140,000	96.20%	2040
2041							140,000	1,855	141,855	0	100.00%	2041
			42,293	1,163	114,209	46,150	3,335,000	663,526	4,400,665	3,684,661		

* Preliminary, subject to change.

Village of Orfordville, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Sewer Revenues
 (As of 08/18/2021)

Dated Amount	Sewerage System Revenue Bonds, Series 2015		Sewerage System Mortgage Revenue Bonds, Series 2018B (Rural Development Loan)		Sewerage System Revenue Bonds, Series 2018C (Clean Water Fund Loan)		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	06/10/2015 \$969,220	05/01	11/28/2018 \$2,677,000	05/01	11/28/2018 \$969,220	05/01				
Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest		
2021	0	5,887	0	35,157	0	4,036	0	45,080	.00%	2021
2022	45,724	11,396	40,400	69,759	24,538	7,865	110,662	89,020	2.95%	2022
2023	46,478	10,635	41,500	68,633	24,952	7,448	112,930	86,716	5.96%	2023
2024	47,245	9,862	42,600	67,477	25,373	7,023	115,218	84,362	9.04%	2024
2025	48,025	9,076	43,800	66,289	25,801	6,592	117,626	81,956	12.18%	2025
2026	48,817	8,277	45,100	65,066	26,236	6,153	120,153	79,496	15.38%	2026
2027	49,623	7,465	46,300	63,810	26,679	5,706	122,601	76,981	18.65%	2027
2028	50,441	6,640	47,600	62,519	27,129	5,252	125,170	74,410	21.99%	2028
2029	51,274	5,800	48,900	61,192	27,587	4,791	127,760	71,783	25.40%	2029
2030	52,120	4,947	50,300	59,828	28,052	4,322	130,472	69,097	28.88%	2030
2031	52,980	4,080	51,700	58,425	28,525	3,844	133,205	66,350	32.43%	2031
2032	53,854	3,199	53,100	56,984	29,007	3,359	135,960	63,542	36.06%	2032
2033	54,742	2,303	54,600	55,503	29,496	2,866	138,838	60,672	39.76%	2033
2034	55,646	1,392	56,100	53,981	29,993	2,364	141,739	57,737	43.54%	2034
2035	56,564	467	57,700	52,416	30,499	1,854	144,763	54,737	47.40%	2035
2036			59,300	50,808	31,014	1,335	90,314	52,142	49.81%	2036
2037			61,000	49,154	31,537	807	92,537	49,961	52.28%	2037
2038			62,700	47,453	32,069	271	94,769	47,723	54.81%	2038
2039			64,400	45,705			64,400	45,705	56.53%	2039
2040			66,200	43,909			66,200	43,909	58.29%	2040
2041			68,100	42,063			68,100	42,063	60.11%	2041
2042			70,000	40,164			70,000	40,164	61.98%	2042
2043			71,900	38,213			71,900	38,213	63.89%	2043
2044			73,900	36,208			73,900	36,208	65.86%	2044
2045			76,000	34,147			76,000	34,147	67.89%	2045
2046			78,100	32,028			78,100	32,028	69.98%	2046
2047			80,300	29,850			80,300	29,850	72.12%	2047
2048			82,500	27,611			82,500	27,611	74.32%	2048
2049			84,800	25,311			84,800	25,311	76.58%	2049
2050			87,200	22,946			87,200	22,946	78.91%	2050
2051			89,600	20,515			89,600	20,515	81.30%	2051
2052			92,100	18,017			92,100	18,017	83.75%	2052
2053			94,700	15,448			94,700	15,448	86.28%	2053
2054			97,300	12,808			97,300	12,808	88.87%	2054
2055			100,000	10,095			100,000	10,095	91.54%	2055
2056			102,800	7,307			102,800	7,307	94.28%	2056
2057			105,700	4,440			105,700	4,440	97.10%	2057
2058			108,600	1,493			108,600	1,493	100.00%	2058
			713,531	91,428	2,556,900	1,552,730	3,748,919	1,720,043		5,468,962

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	\$ 86,312,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 4,315,645
Less: General Obligation Debt (includes the Bonds)*	<u>(3,684,661)</u>
Unused Debt Limit*	<u><u>\$ 630,984</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
Rock County	\$ 13,178,803,700	0.65%	\$ 71,395,000	\$ 464,068
Blackhawk Technical College District	15,589,099,557	0.55%	43,565,000	239,608
Parkview School District	502,097,843	17.19%	13,851,000	<u>2,380,987</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 3,084,663</u></u>

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

² Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$86,312,900	Debt/ Per Capita 1,476¹
Total General Obligation Debt (includes the Bonds)*	\$ 3,684,661	4.27%	\$ 2,496.38
Village's Share of Total Overlapping Debt	<u>3,084,663</u>	<u>3.57%</u>	<u>2,089.88</u>
Total*	\$ 6,769,324	7.84%	\$ 4,586.26

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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

¹ Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2016/17	\$565,378	100%	\$9.16
2017/18	565,378	100%	8.88
2018/19	617,418	100%	8.90
2019/20	622,276	100%	8.68
2020/21	626,067	In Process	8.01

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. Rock County and the Village did 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 Bonds.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2016/17	\$13.45	\$6.58	\$9.16	\$0.19	\$29.38
2017/18	13.43	6.38	8.88	0.00	28.69
2018/19	12.58	6.07	8.90	0.00	27.55
2019/20	12.54	5.86	8.68	0.00	27.08
2020/21	11.90	5.72	8.01	0.00	25.63

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and

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

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other 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 Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1900 and is governed by a President and six-member Village Board. All Board Members are elected to staggered two-year terms. The appointed Village Clerk/Treasurer is responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of nine full-time, four part-time, and one seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$24,462, \$34,620 and \$36,200, 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, 2018, the total pension liability of the WRS was calculated as \$100.29 billion and the fiduciary net position of the WRS was calculated as \$96.74 billion, resulting in a net pension liability of \$3.56 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the Village reported a liability of \$105,618 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.00296873% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4.A. 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 following bargaining unit represents employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
Teamsters Union	December 31, 2021

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 Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of April 3, 2021)

Fund	Total Cash and Investments
Water Utility	\$ 556,816
Sewer Utility	511,837
Library	49,450
General Fund	1,111,805
Total Funds on Hand	<u><u>\$ 2,229,908</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 Draft Audited
Water			
Total Operating Revenues	\$ 283,314	\$ 282,238	\$ 288,048
Less: Operating Expenses	<u>(317,097)</u>	<u>(379,276)</u>	<u>(338,569)</u>
Operating Income	\$ (33,783)	\$ (97,038)	\$ (50,521)
Plus: Depreciation	78,030	77,871	84,252
Interest Income	<u>12,565</u>	<u>15,140</u>	<u>3,344</u>
Revenues Available for Debt Service	<u><u>\$ 56,812</u></u>	<u><u>\$ (4,027)</u></u>	<u><u>\$ 37,075</u></u>
Sewer			
Total Operating Revenues	\$ 551,965	\$ 573,110	\$ 572,248
Less: Operating Expenses	<u>(299,604)</u>	<u>(433,545)</u>	<u>(612,880)</u>
Operating Income	\$ 252,361	\$ 139,565	\$ (40,632)
Plus: Depreciation	70,273	197,619	302,879
Interest Income	<u>25,758</u>	<u>9,877</u>	<u>2,092</u>
Revenues Available for Debt Service	<u><u>\$ 348,392</u></u>	<u><u>\$ 347,061</u></u>	<u><u>\$ 264,339</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2019 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2021 Adopted Budget ¹
	2017 Audited	2018 Audited	2019 Audited	2020 Draft Audited	
Revenues					
Taxes	\$ 637,540	\$ 637,655	\$ 687,669	\$ 691,843	\$ 695,308
Intergovernmental	451,665	395,811	371,591	434,627	498,826
Licenses and permits	19,892	32,443	32,517	15,871	16,300
Penalties and forfeitures	12,705	26,374	29,319	22,888	26,067
Public charges for services	4,673	104,797	100,833	116,157	62,400
Miscellaneous general revenues	50,103	44,366	56,739	60,531	37,200
Total Revenues	\$ 1,176,578	\$ 1,241,446	\$ 1,278,668	\$ 1,341,917	\$ 1,336,101
Expenditures					
Current:					
General government	\$ 190,480	\$ 223,586	\$ 236,750	\$ 272,619	\$ 231,318
Public safety	305,323	395,968	385,096	402,633	473,381
Public works	305,488	300,224	349,432	350,866	337,405
Health and human services	3,500	3,500	3,500	3,500	3,500
Culture and recreation	99,981	102,247	102,087	126,975	106,479
Other financing sources	6,500	6,500	5,650	13,304	9,000
Debt service	128,943	132,583	177,817	176,818	0
Capital outlay	25,835	416,898	130,396	0	175,018
Total Expenditures	\$ 1,066,050	\$ 1,581,506	\$ 1,390,728	\$ 1,346,715	\$ 1,336,101
Excess of revenues over (under) expenditures	\$ 110,528	\$ (340,060)	\$ (112,060)	\$ (4,798)	\$ 0
Other Financing Sources (Uses)					
Donations	0	0	0	(4,466)	
Proceeds of long-term debt	0	275,000	0	0	
Transfers in	0	0	0	0	
Transfers out	0	0	0	0	
Total Other Financing Sources (Uses)	\$ 0	\$ 275,000	\$ 0	\$ 0	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 110,528	\$ (65,060)	\$ (112,060)	\$ (9,264)	
General Fund Balance January 1	\$ 409,986	\$ 520,514	\$ 455,454	\$ 343,394	
General Fund Balance December 31	\$ 520,514	\$ 455,454	\$ 343,394	\$ 334,130	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 251,105	\$ 0	\$ 0	\$ 0	
Assigned	0	17,500	0	0	
Unassigned	269,409	437,954	343,394	334,130	
Total	\$ 520,514	\$ 455,454	\$ 343,394	\$ 334,130	

¹ The 2021 budget was adopted on November 23, 2021.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 1,442 and a current estimated population of 1,476 comprises an area of 9.34 square miles and is located at the intersection of Highway 11 and Highway 213.

LARGER EMPLOYERS¹

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Parkview School District	Elementary and secondary education	126
Burtness Chevrolet Inc.	County government and services	45
Collinwood Elderly Care	Nursing and convalescent home	20
Villa Pizza	Restaurant	19
The Village	Municipal government and services	14
Knutes Bar & Grill	Restaurant	12
Ding-A-Ling Supper Club	Restaurant	12
Subway	Restaurant	8
Dollar General	Retail store	8
Orfordville Lumber Inc.	Hardware - retail	5

Source: *Data Axle Reference Solutions, written and telephone survey (June 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	38	25	30	23	5
Valuation	\$44,000	\$48,500	\$713,000	\$800,000	\$1,125,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	2	0	0	0
Valuation	\$0	\$588,000	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	1	0	3	1	0
Valuation	\$353,100	\$0	\$84,800	\$47,600	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	39	27	33	24	5
Valuation	\$397,100	\$636,500	\$797,800	\$847,600	\$1,125,000

Source: The Village.

¹ As of May 30, 2021.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	1,272
2010 U.S. Census	1,442
2020 Estimated Population	1,476
Percent of Change 2000 - 2010	13.36%

Income and Age Statistics

	The Village	Rock County	State of Wisconsin	United States
2019 per capita income	\$29,145	\$28,945	\$33,375	\$34,103
2019 median household income	\$65,855	\$57,875	\$61,747	\$62,843
2019 median family income	\$72,847	\$70,070	\$78,679	\$77,263
2019 median gross rent	\$936	\$838	\$856	\$1,062
2019 median value owner occupied units	\$143,100	\$146,200	\$180,600	\$217,500
2019 median age	37.0 yrs.	39.5 yrs.	39.5 yrs.	38.1 yrs.

	State of Wisconsin	United States
Village % of 2019 per capita income	87.33%	85.46%
Village % of 2019 median family income	92.59%	94.28%

Housing Statistics

	<u>The Village</u>		
	2010	2019	Percent of Change
All Housing Units	575	596	3.65%

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>	
	Rock County	Rock County	State of Wisconsin	
2017	81,855	3.7%	3.3%	
2018	81,889	3.3%	3.0%	
2019	82,033	3.7%	3.3%	
2020	78,908	7.1%	6.3%	¹
2021, May ¹	82,339	4.7%	3.9%	

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 Bonds, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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

**VILLAGE OF
ORFORDVILLE**

**AUDITED FINANCIAL
STATEMENTS**

DECEMBER 31, 2019



JAMES R. FRECHETTE

CERTIFIED PUBLIC ACCOUNTANT

VILLAGE OF ORFORDVILLE
December 31, 2019
TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	
Independent Auditor’s Report	1-3
Basic Financial Statements:	
<u>Government-Wide Financial Statements:</u>	
Statement of Net Position	4
Statement of Activities	5
<u>Fund Financial Statements:</u>	
Balance Sheet – Governmental Funds	6
Reconciliation of Governmental Funds Balance Sheet to The Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	10
Statement of Net Position – Proprietary Funds	11
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	12
Statement of Cash Flows – Proprietary Funds	13-14
Statement of Fiduciary Net Position – Fiduciary Funds	15
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	16
Notes to the Financial Statements	17-31
<u>Required Supplemental Information:</u>	
Schedule of Village’s Proportionate Share of Net Pension Liability	32
Schedule of Village Contributions - Pension	33
<u>Single Audit Reports:</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	34-35
Independent Auditor’s Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines	36-37
Schedule of Expenditures of Federal Awards	38
Schedule of Expenditures of State Awards	39
Notes to Schedules of Expenditures of Federal and State Awards	40
Schedule of Findings and Questioned Costs	41-43
Summary Schedule of Prior Audit Findings	44

Independent Auditor's Report

To the Village Board
Village of Orfordville
Orfordville, Wisconsin

Report on the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Orfordville, Wisconsin, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the Notes to the financial statements, in 2019 the Village adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the required supplemental information related to Pensions as listed on Pages 32-33 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management 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 the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Orfordville's basic financial statements. The accompanying schedule's of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Wisconsin Single Audit Act, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020, on our consideration of the Village of Orfordville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of our testing, and not to provide an opinion on the effectiveness of the Village of Orfordville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Orfordville's internal control over financial reporting and compliance.



JAMES R. FRECHETTE
CERTIFIED PUBLIC ACCOUNTANT
MUKWONAGO, WISCONSIN

May 26, 2020

VILLAGE OF ORFORDVILLE
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Investments	\$ 808,811	\$ 1,603,981	\$ 2,412,792
Taxes Receivable	944,486	0	944,486
Accounts Receivable	4,025	160,699	164,724
Due From Other Governments	0	240,359	240,359
Inventory	0	7,272	7,272
Cash and Investments - Restricted	0	131,527	131,527
Noncurrent Assets:			
Capital Assets	3,907,277	11,764,807	15,672,084
Less: Accumulated Depreciation	(1,354,326)	(2,624,540)	(3,978,866)
Total Assets	4,310,273	11,284,105	15,594,378
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources - Pensions	277,003	177,100	454,103
Total Deferred Outflows of Resources	277,003	177,100	454,103
Total Assets and Deferred Outflows	\$ 4,587,276	\$ 11,461,205	\$ 16,048,481
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 68,930	\$ 70,929	\$ 139,859
Accounts Payable - Payable from Restricted Assets	0	266,137	266,137
Accrued Salaries and Benefits	12,883	3,978	16,861
Accrued Interest Payable	43,869	15,762	59,631
Bonds and Notes Payable - Current	189,128	106,182	295,310
Noncurrent Liabilities:			
Bonds and Notes Payable	1,503,696	3,857,332	5,361,028
Net Pension Liability	64,427	41,191	105,618
Vested Employee Benefits	13,810	0	13,810
Total Liabilities	1,896,743	4,361,511	6,258,254
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Taxes	943,654	0	943,654
Deferred Inflows of Resources - Pensions	186,375	119,159	305,534
Total Liabilities and Deferred Inflows	3,026,772	4,480,670	7,507,442
<u>NET POSITION</u>			
Net Investment in Capital Assets	860,127	5,176,753	6,036,880
Restricted for:			
Equipment Replacement	0	131,527	131,527
Unrestricted	700,377	1,672,255	2,372,632
Total Net Position	1,560,504	6,980,535	8,541,039
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,587,276	\$ 11,461,205	\$ 16,048,481

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ORFORDVILLE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General Government	\$ 374,520	\$ 9,793	\$ 0	\$ 0	\$ (364,727)	\$ 0	\$ (364,727)
Public Safety	422,320	53,847	8,149	0	(360,324)	0	(360,324)
Public Works	426,674	97,944	76,564	0	(252,166)	0	(252,166)
Health and Human Services	3,500	0	0	0	(3,500)	0	(3,500)
Culture and Recreation	108,130	1,085	0	0	(107,045)	0	(107,045)
Conservation and Development	6,584	0	0	0	(6,584)	0	(6,584)
Interest on Long-Term Debt	63,762	0	0	0	(63,762)	0	(63,762)
Other Financing Uses	5,650	0	0	0	(5,650)	0	(5,650)
Total Governmental Activities	<u>1,411,140</u>	<u>162,669</u>	<u>84,713</u>	<u>0</u>	<u>(1,163,758)</u>	<u>0</u>	<u>(1,163,758)</u>
Business-type Activities:							
Water	392,762	282,238	0	0	0	(110,524)	(110,524)
Sewer	515,212	573,110	0	1,690,567	0	1,748,465	1,748,465
Total Business-type Activities	<u>907,974</u>	<u>855,348</u>	<u>0</u>	<u>1,690,567</u>	<u>0</u>	<u>1,637,941</u>	<u>1,637,941</u>
Total Primary Government	<u>\$ 2,319,114</u>	<u>\$ 1,018,017</u>	<u>\$ 84,713</u>	<u>\$ 1,690,567</u>	<u>(1,163,758)</u>	<u>1,637,941</u>	<u>474,183</u>
General Revenues:							
Property Taxes					821,188	0	821,188
Taxes from Water Utility					69,949	0	69,949
Federal and State Aids - Unrestricted					288,228	0	288,228
Interest Income					10,059	25,017	35,076
Other					46,982	0	46,982
Transfers					0	0	0
Total General Revenues and Transfers					<u>1,236,406</u>	<u>25,017</u>	<u>1,261,423</u>
Change in Net Position					72,648	1,662,958	1,735,606
Net Position - Beginning of Year					1,487,856	5,317,577	6,805,433
Net Position - End of Year					<u>\$ 1,560,504</u>	<u>\$ 6,980,535</u>	<u>\$ 8,541,039</u>

The notes to the financial statements are an integral part of this report.

VILLAGE OF ORFORDVILLE
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019

	General	Tax Incremental District No. 3	Total Governmental Funds
<u>ASSETS</u>			
Cash and Investments	\$ 420,350	\$ 388,461	\$ 808,811
Taxes Receivable	737,695	206,791	944,486
Accounts Receivable	4,025	0	4,025
TOTAL ASSETS	\$ 1,162,070	\$ 595,252	\$ 1,757,322
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 68,930	\$ 0	\$ 68,930
Accrued Salaries and Fringes	12,883	0	12,883
Total Liabilities	81,813	0	81,813
Deferred Inflows of Resources:			
Property Taxes	736,863	206,791	943,654
Total Deferred Inflows of Resources	736,863	206,791	943,654
Fund Balances:			
Unassigned	343,394	388,461	731,855
Total Fund Balances	343,394	388,461	731,855
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,162,070	\$ 595,252	\$ 1,757,322

The notes to the financial statements are an integral part of this statement.

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

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental Funds	\$	731,855
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This includes:		
Capital Assets		3,907,277
Accumulated Depreciation		(1,354,326)
Some Assets (Liabilities), including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds		
Net Pension Liability		(64,427)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows of resources related to pensions		277,003
Deferred inflows of resources related to pensions		(186,375)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These include:		
Notes and Bonds Payable		(1,692,824)
Accrued Interest on Long-Term Debt		(43,869)
Vested Employee Benefits		(13,810)
Total Net Position of Governmental Activities	\$	1,560,504

The notes to the financial statements are an integral part of this statement.

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

	General	Tax Incremental District No. 3	Total Governmental Funds
<u>REVENUES</u>			
Taxes	\$ 687,669	\$ 203,769	\$ 891,438
Intergovernmental	371,591	1,350	372,941
License and Permits	32,517		32,517
Forfeitures and Penalties	29,319		29,319
Public Charges for Services	100,833		100,833
Miscellaneous	56,739		56,739
TOTAL REVENUES	1,278,668	205,119	1,483,787
<u>EXPENDITURES</u>			
Current:			
General Government	236,750	10,350	247,100
Public Safety	385,096		385,096
Public Works	349,432		349,432
Health and Human Services	3,500		3,500
Culture and Recreation	102,087		102,087
Other Financing Uses	5,650		5,650
Capital Outlay:			
General Government	55,000		55,000
Public Safety	68,812		68,812
Conservation and Development	6,584		6,584
Debt Service:			
Principal	125,014	61,023	186,037
Interest and Other Debt Expenses	52,803	13,633	66,436
TOTAL EXPENDITURES	1,390,728	85,006	1,475,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,060)	120,113	8,053
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from Long-Term Debt	0	0	0
Transfers In (Out)	0	0	0
Total Other Financing Sources and Uses	0	0	0
Net Change in Fund Balances	(112,060)	120,113	8,053
Fund Balances - Beginning	455,454	268,348	723,802
Fund Balances - Ending	\$ 343,394	\$ 388,461	\$ 731,855

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ORFORDVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	8,053
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlays		55,544
Depreciation on Fixed Assets		(160,802)
<p>The issuance of long-term debt (i.e. bonds, notes, leases) provides current financial resources to governmental funds, but is redorded as an increase in long-term debt in the statement of net position and does not affect the statement of activities. These include:</p>		
Proceeds from Long-Term Loans		0
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is recorded as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. These include:</p>		
Principal Paid on Long-Term Loans		186,037
<p>Payment of interest on long-term debt is reported in the governmental funds as an expenditure when paid, but is recorded in the statement of activities as incurred.</p>		
Interest Paid on Long-Term Debt		66,436
Interest Incurred for the Year		(63,762)
<p>Vested employee benefits are reported in the governmental funds as an expenditure when paid, but is recorded in the statement of activities when earned.</p>		
Vested Employee Benefits Paid		18,211
Vested Employee Benefits Earned		(15,130)
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
Pension Contributions		22,542
Pension Expense		(44,481)
Change in net position of governmental activities	\$	72,648

VILLAGE OF ORFORDVILLE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND

For The Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 690,140	\$ 690,140	\$ 687,669	\$ (2,471)
Intergovernmental	472,747	472,747	469,325	(3,422)
License and Permits	17,500	17,500	32,517	15,017
Forfeitures and Penalties	25,000	25,000	29,319	4,319
Public Charges for Services	2,000	2,000	3,099	1,099
Intergovernmental Charges	0	0	0	0
Miscellaneous	39,138	39,138	56,739	17,601
TOTAL REVENUES	1,246,525	1,246,525	1,278,668	32,143
EXPENDITURES				
Current:				
General Government	221,716	221,716	291,750	(70,034)
Public Safety	422,244	422,244	453,908	(31,664)
Public Works	306,117	306,117	349,432	(43,315)
Health and Human Services	3,500	3,500	3,500	0
Culture and Recreation	105,130	105,130	102,087	3,043
Conservation and Development	5,000	5,000	6,584	(1,584)
Debt Service	177,818	177,818	177,817	1
Other Financing Uses	5,000	5,000	5,650	(650)
TOTAL EXPENDITURES	1,246,525	1,246,525	1,390,728	(144,203)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(112,060)	(112,060)
OTHER FINANCING SOURCES (USES):				
Proceeds from Long-term Debt	0	0	0	0
Operating Transfer In (Out)	0	0	0	0
Total Other Financing Sources and Uses	0	0	0	0
Net Change in Fund Balances	0	0	(112,060)	(112,060)
Fund Balances - Beginning	455,454	455,454	455,454	0
Fund Balances - Ending	\$ 455,454	\$ 455,454	\$ 343,394	\$ (112,060)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ORFORDVILLE
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals Current Year
<u>ASSETS</u>			
Current Assets:			
Cash and Investments	\$ 856,397	\$ 747,584	\$ 1,603,981
Accounts Receivable	39,814	120,885	160,699
Due From Other Governments	0	240,359	240,359
Inventory	6,072	1,200	7,272
Total Current Assets	902,283	1,110,028	2,012,311
Noncurrent Assets:			
Cash and Investments - Restricted	0	131,527	131,527
Capital Assets	3,499,792	8,265,015	11,764,807
Less: Accumulated Depreciation	(1,154,226)	(1,470,314)	(2,624,540)
Total Noncurrent Assets	2,345,566	6,926,228	9,271,794
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflow of Resources - Pensions	81,740	95,360	177,100
Total Deferred Outflows of Resources	81,740	95,360	177,100
Total Assets and Deferred Outflows	\$ 3,329,589	\$ 8,131,616	\$ 11,461,205
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 1,299	\$ 589	\$ 1,888
Accrued Salaries and Benefits	1,899	2,079	3,978
Accrued Taxes Payable	69,041	0	69,041
Total Current Liabilities	72,239	2,668	74,907
Current Liabilities Payable from Restricted Assets:			
Accounts Payable	0	266,137	266,137
Current Portion - Notes and Bonds Payable	44,251	61,931	106,182
Accrued Interest Payable	2,208	13,554	15,762
Total Current Liabilities Payable from Restricted Assets	46,459	341,622	388,081
Noncurrent Liabilities:			
Long-Term Notes and Bonds Payable	758,513	3,098,819	3,857,332
Net Pension Liability	19,011	22,180	41,191
Total Noncurrent Liabilities	777,524	3,120,999	3,898,523
Total Liabilities	896,222	3,465,289	4,361,511
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows of Resources - Pensions	54,998	64,161	119,159
Total Deferred Inflows of Resources	54,998	64,161	119,159
Total Liabilities and Deferred Inflows	951,220	3,529,450	4,480,670
<u>NET POSITION</u>			
Net Investment in Capital Assets	1,542,802	3,633,951	5,176,753
Restricted for:			
Equipment Replacement	0	131,527	131,527
Unrestricted	835,567	836,688	1,672,255
Total Net Position	2,378,369	4,602,166	6,980,535
Total	\$ 3,329,589	\$ 8,131,616	\$ 11,461,205

The notes to the financial statements are an integral part of this statement.

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

	Business-Type Activities - Enterprise Funds		Totals
	Water Utility	Sewer Utility	
<u>REVENUES:</u>			
Charges for Services and Sales	\$ 280,530	\$ 550,010	\$ 830,540
Other Operating Revenues	1,708	23,100	24,808
Total Operating Revenues	282,238	573,110	855,348
<u>EXPENSES:</u>			
Operation and Maintenance	301,405	235,926	537,331
Depreciation	77,871	197,619	275,490
Total Operating Expenses	379,276	433,545	812,821
 Operating Income (Loss)	 (97,038)	 139,565	 42,527
<u>Nonoperating Revenues (Expenses):</u>			
Interest on Investments	15,140	9,877	25,017
Interest Expense	(13,486)	(81,667)	(95,153)
 Total Nonoperating Revenues (Expenses)	 1,654	 (71,790)	 (70,136)
Income Before Contributions and Transfers	(95,384)	67,775	(27,609)
Capital Contributions	0	1,690,567	1,690,567
Transfers In (Out)	0	0	0
 Change in Net Position	 (95,384)	 1,758,342	 1,662,958
Net Position - Beginning of Year	2,473,753	2,843,824	5,317,577
Net Position - End of Year	\$ <u>2,378,369</u>	\$ <u>4,602,166</u>	\$ <u>6,980,535</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ORFORDVILLE
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For The Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		Totals
	Water Utility	Sewer Utility	
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 282,313	\$ 570,359	\$ 852,672
Payments to Employees	(68,317)	(90,499)	(158,816)
Payments to Vendors	(76,463)	(153,088)	(229,551)
Net Cash Flows from Operating Activities	<u>137,533</u>	<u>326,772</u>	<u>464,305</u>
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfer to Other Funds	0	0	0
Advances from Other Funds	0	0	0
Net Cash Flows from Noncapital Related Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Capital Contributions	0	1,951,775	1,951,775
Proceeds from Long-Term Debt	0	328,486	328,486
Purchases of Capital Assets	(12,435)	(2,289,423)	(2,301,858)
Principal Paid on Capital Debt	(43,532)	(42,600)	(86,132)
Interest Paid on Capital Debt	(13,605)	(74,654)	(88,259)
Net Cash Flow from Capital and Related Financing Activities	<u>(69,572)</u>	<u>(126,416)</u>	<u>(195,988)</u>
<u>Cash Flow From Investing Activities:</u>			
Interest Income	15,140	9,877	25,017
Net Cash Flow from Investing Activities	<u>15,140</u>	<u>9,877</u>	<u>25,017</u>
Net Increase (Decrease) in Cash and Cash Equivalents	83,101	210,233	293,334
Cash and Cash Equivalents - Beginning	773,296	668,878	1,442,174
Cash and Cash Equivalents - Ending	<u>\$ 856,397</u>	<u>\$ 879,111</u>	<u>\$ 1,735,508</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

VILLAGE OF ORFORDVILLE
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For The Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		Totals
	Water Utility	Sewer Utility	
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$ (97,038)	\$ 139,565	\$ 42,527
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	80,738	197,619	278,357
(Increase) Decrease in Accounts Receivable	75	(2,751)	(2,676)
(Increase) Decrease in Due To/From Other Funds	147,892	(15,833)	132,059
(Increase) Decrease in Inventories	(109)	349	240
Increase (Decrease) in Accounts Payable	(1,128)	(110)	(1,238)
Increase (Decrease) in Accrued Liabilities	629	381	1,010
Increase (Decrease) in Pension Items	6,474	7,552	14,026
Total Adjustments	<u>234,571</u>	<u>187,207</u>	<u>421,778</u>
Net Cash Provided by Operating Activities	<u>\$ 137,533</u>	<u>\$ 326,772</u>	<u>\$ 464,305</u>
<u>Noncash Investing, Capital, and Financing Activities:</u>			
Contributions of Capital Assets	<u>\$ 0</u>	<u>\$ 0</u>	

The Notes to the Financial Statements are an Integral Part of this Statement.

VILLAGE OF ORFORDVILLE
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
December 31, 2019

	Custodial Funds		
	Tax Collection Fund	Library Fund	Total Custodial Funds
<u>ASSETS</u>			
Cash and Investments	\$ 655,995	\$ 40,194	\$ 696,189
Taxes Receivable	663,132	0	663,132
Total Assets	1,319,127	40,194	1,359,321
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 342	\$ 342
Accrued Salaries and Benefits		1,512	1,512
Due to Other Taxing Units	1,319,127		1,319,127
	1,319,127	1,854	1,320,981
<u>NET POSITION</u>			
Net Position - Library	\$ 0	\$ 38,340	\$ 38,340

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ORFORDVILLE
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2019

	Custodial Funds
<u>ADDITIONS:</u>	
Property Taxes Collections for Other Governments	\$ 1,354,579
Library Revenues	119,310
TOTAL ADDITIONS	1,473,889
 <u>DEDUCTIONS:</u>	
Property Taxes Distributed to Other Governments	1,354,579
Library Disbursements	118,103
TOTAL DEDUCTIONS	1,472,682
 Net Increase (Decrease) in Fiduciary Net Position	 1,207
Net Position - Beginning	37,133
Net Position - Ending	\$ 38,340

The notes to the financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of Orfordville, Wisconsin is a municipality governed by a village president and a six-member village board.

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

The Village of Orfordville adopted GASB 84 during 2019. This statement, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This report includes all of the funds of the Village of Orfordville.

B. Government-wide and Fund Financial Statements

Government-wide statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 clearly identifiable with a specific function or segment. 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 properly included among program revenues are reported in stead as general revenues.

Fund Financial statements

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.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. The village reports the following major governmental and business-type funds:

Governmental Funds

General Fund is the Village's primary operating fund. It accounts for all financial resources of the Village, except those required to be accounted for in another fund.

Tax Incremental District No. 3 accounts for the Tax-Increment District No. 3 transactions.

Enterprise Funds

Water Utility accounts for the transactions of the village's water system.

Sewer Utility accounts for the transactions of the village's sewer system.

Additionally, the Village reports the following fund types that are not included in the government-wide financial statements:

The *Library Custodial Fund* accounts for assets held by the Village as an agent for the library fund.

The *Tax Collection Custodial Fund* accounts for assets received from taxpayers held for distribution to other taxing units.

C. Measurement Focus and Basis of Accounting

Government-wide statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recognized as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule are charges between the village's water utility, sewer utility, and the village's governmental activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund financial statements

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

Property taxes, state aids, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes permit the village to invest available cash balances, other than debt service funds, in time deposits or authorized depositories, U.S. Treasury obligations, U.S. Agency issues, high grade commercial paper, and the State Treasurer's Investment Pool. Available balances in the debt service fund may be invested in municipal obligations, U.S. Government obligations, and the State Treasurer's Investment Pool. Investments are reported at fair value unless the difference between amortized costs and fair value are immaterial.

VILLAGE OF ORFORDVILLE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The investment pool is managed by the State of Wisconsin Investment Board with oversight by a Board of Trustees as authorized in Wisconsin Statutes Chapter 25.

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 the state, county, school district, and technical college district. Property taxes levied for village purposes as well as other governmental units are recorded as "Taxes Receivable" in the fund statements. The village portion of the levy is shown as "Deferred Inflows of Resources - Property Taxes" and the other governmental units portion is shown as "Due to Other Taxing Units". The village share is recognized as revenue in the following year when the services financed by the levy are provided. Taxes collected in advance of the year for which they are levied are shown as reduction of the taxes receivable balance at December 31. The lien date and levy date are both in December, 2019. Due dates for collection of taxes are January 31, 2020 and July 31, 2020.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Inventories and Prepayments

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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.

Capital Assets

Capital assets, which include land, buildings, land improvements, equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets constructed prior to January 1, 2004 have not been included.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciable capital assets of the Village are depreciated using the straight line method over the following estimated useful lives:

Assets:	Years
Buildings	25-50
Land Improvements	25-50
Equipment	5-10
Infrastructure	40

VILLAGE OF ORFORDVILLE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

In the fund financial statements, governmental fund fixed assets are accounted for as capital outlay expenditures in the year purchased. No depreciation is recorded in the governmental fund financial statements. Fixed assets in the proprietary funds are accounted for the same way as in the government-wide statements.

Compensated Absences

The Village has recorded liabilities for vested employee vacations and sick leave. Under terms of employment, village employees are granted vacations and sick leave in varying amounts. All vested vacation and sick leave pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

Benefits are recorded as an expenditure in the fund statements as paid while recorded in the statement of activities as earned. An estimate of the value of vested benefits is recorded as a long-term liability in the statement of net position. The liability was calculated based upon rate of pay in effect at December 31, 2019.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report separate sections for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period(s) and thus, will not be recognized as an inflow of resources (revenue) until then.

Pensions

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

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds or notes using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenses in the year the debt is issued.

In the fund statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Claims and Judgments

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

Equity Classifications

Equity in the government-wide financial statements is reflected in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, land contracts, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position with restrictions placed on their use either by external groups or state and federal law.
- Unrestricted net position – All other net position that do not meet the definition of the other two.

Fund Balance Policy

The Fund Balance amounts will be reported in conformance with generally accepted accounting principles and shall be reclassified not less than at the end of each fiscal year. The Village shall report fund balances as either Nonspendable, Restricted, Committed, Assigned, or Unassigned.

- Nonspendable Fund Balance – This includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The village shall report inventories, prepaid items, long-term receivables, and other amounts legally or contractually required to be maintained intact as nonspendable.
- Restricted Fund Balance – This includes amounts limited by external parties, laws or regulations, constitutional provisions or enabling legislation. The village shall report amounts as restricted that can be spent only for specific purposes stipulated by constitution, external source providers, or through legislation. When both restricted and unrestricted resources are available for use, it is village policy to use unrestricted resources first, then restricted resources as they are needed.
- Committed Fund Balance – This includes amounts that are committed for specific purposes by formal action of the Village Board.
- Assigned Fund Balance – This includes amounts that are intended to be used for specific purposes but are neither restricted nor formally committed. Intent can be expressed by the Board or by an individual or subordinate high level body to which the Village Board has delegated authority. The village board has not delegated authority to assign fund balance for a specific intended purpose.
- Unassigned Fund Balance – This includes any remaining amounts in the General Fund that are not classified as nonspendable, restricted, committed, or assigned. In other funds, the unassigned classification shall be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

A. Budgetary Information

A budget for the General Fund was adopted on a basis consistent with generally accepted accounting principles. The budget was adopted in compliance with all material state statutes. No budget was prepared for the Tax Incremental Financing District No. 3 fund.

Budgetary information as presented in the fund financial statements is derived from:

- A public hearing to obtain taxpayer comments on the proposed budget
- The annual operating budget as originally adopted by the village board
- Individual amendments to the original budget as approved by the village board during the year.

Budget appropriations lapse at year-end unless specifically carried over to the next year.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2019, expenditures exceeded budgeted amounts in the following funds:

The General Fund had excess expenditures for General Government (\$70,034), Public Safety (\$31,664), Public Works (\$43,315), Conservation and Development (\$1,584), and Other Financing Uses (\$650). These over-expenditures were funded by available fund balance.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A - CASH AND INVESTMENTS

The village's deposits include checking accounts, savings accounts, money market accounts, and certificates of deposit. The village's investments consisted of deposits in the State Treasurer's Investment Pool.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$1,331,403 of the government's bank balance of \$1,581,403 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	1,440,334
Total	\$	<u>1,440,334</u>

Differences between bank balance and book balance represent deposits in transit and outstanding checks.

FDIC insurance is the amount of \$250,000 for demand deposits and time deposits. Depository insurance is also provided by the State Deposit Guarantee Fund of the State of Wisconsin. The coverage is limited to \$400,000 above the applicable insurance provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. As a result, this coverage was not considered in computing the above amount.

State Statutes authorize the Village to invest in various types of investments as per Wisconsin Statute 66.04(2) and 67.11(2). During 2019, the village's investments consisted entirely of amounts in the State Treasurer's Investment Pool. The balance at December 31, 2019 was \$1,550,174. The amount is reported at amortized cost as the difference between amortized cost and fair value is immaterial.

VILLAGE OF ORFORDVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Total cash and investments at December 31, 2019 consist of the following:

Deposits	\$ 1,689,769
Investments	1,550,174
Petty Cash	565
Total Cash and Investments	<u>\$ 3,240,508</u>

B - RESTRICTED ASSETS

The following represent the balances of restricted assets as of December 31, 2019:

Sewer Utility:			
Department of Natural Resources Replacement Fund	\$	114,597	
Sewer Utility Bond Reserve Fund	\$	16,930	
		<u>131,527</u>	

Department of Natural Resources Replacement Fund - To be used by the sewer utility for significant mechanical equipment replacements as required by the Wisconsin Department of Natural Resources.

The Bond Reserve Fund relates to the 2018 Sewer Utility Revenue Bonds. A total of \$5,561 shall be deposited semi-annually until an amount equal to the reserve requirement is accumulated in the reserve fund. The reserve requirement is \$11,203.

C - CAPITAL ASSETS

Governmental activities:

	Balance 1-01-2019	Additions	Removals	Balance 12-31-2019
Land	\$ 128,480	\$ 0	\$ 0	128,480
Buildings & Improvements	1,467,909	0	0	1,467,909
Equipment	401,171	55,543	18,775	437,939
Infrastructure	1,872,949	0	0	1,872,949
Totals	<u>3,870,509</u>	<u>55,543</u>	<u>18,775</u>	<u>3,907,277</u>

Less: Accumulated

Depreciation for:				
Buildings & Improvements	390,927	67,281	0	458,208
Equipment	309,673	43,996	18,775	334,894
Infrastructure	511,699	49,525	0	561,224
Total Accumulated	<u>1,212,299</u>	<u>160,802</u>	<u>18,775</u>	<u>1,354,326</u>
Governmental Activities Capital	<u>\$ 2,658,210</u>	<u>\$ (105,259)</u>	<u>\$ 0</u>	<u>\$ 2,552,951</u>

Land and construction work in progress are not depreciated. Depreciation expense was charged to the following governmental functions as follows:

General Government	\$	66,268
Public Safety		14,819
Public Works		76,797
Culture and Recreation		2,918
Total Depreciation of Governmental Activities	\$	<u>160,802</u>

VILLAGE OF ORFORDVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

Business-type activities:

	Balance 1-01-2019	Additions	Removals	Balance 12-31-2019
Land - Water Utility	\$ 17,215	\$ 0	\$ 0	17,215
Water Utility Infrastructure	3,356,551	12,436	2,000	3,366,987
Sewer Utility Infrastructure	2,962,648	5,347,806	170,029	8,140,425
Equipment - Water Utility	115,590	0	0	115,590
Equipment - Sewer Utility	233,381	63,096	171,887	124,590
CWIP - Sewer Utility	3,855,451	(3,855,451)	0	0
Totals	<u>10,540,836</u>	<u>1,567,887</u>	<u>343,916</u>	<u>11,764,807</u>

Less: Accumulated

Depreciation for:				
Water Utility	1,075,488	80,738	2,000	1,154,226
Sewer Utility	1,614,611	197,619	341,916	1,470,314
Total Accumulated	<u>2,690,099</u>	<u>278,357</u>	<u>343,916</u>	<u>2,624,540</u>
Business-type Activities	<u>\$ 7,850,737</u>	<u>\$ 1,289,530</u>	<u>\$ 0</u>	<u>\$ 9,140,267</u>

Land and construction work in progress are not depreciated. Depreciation expense was charged to the following business-type functions as follows:

Water Utility	\$	80,738
Sewer Utility		197,619
Total Depreciation of Business-type activities	\$	<u>278,357</u>

D - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

There were no interfund transfers during the year.

E - LONG-TERM OBLIGATIONS

Long-Term obligations of the governmental activities of the Village are as follows:

	Balance 1-1-2019	Increases	Decreases	Balance 12-31-2019	Amounts Due Within One Year
General Obligation:					
Notes	\$ 1,468,861	\$ 0	\$ 151,037	\$ 1,317,824	\$ 154,128
Bonds	410,000	0	35,000	375,000	35,000
Vested Employee Benefits	16,891	15,130	18,211	13,810	0
Totals	<u>\$ 1,895,752</u>	<u>\$ 15,130</u>	<u>\$ 204,248</u>	<u>\$ 1,706,634</u>	<u>\$ 189,128</u>

VILLAGE OF ORFORDVILLE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

VILLAGE OF ORFORDVILLE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2019

Long-Term obligations of the business-type activities of the Village are as follows:

	Balance 1-1-2019	Increases	Decreases	Balance 12-31-2019	Amounts Due Within One Year
Revenue Bond	\$ 3,721,160	\$ 328,486	\$ 86,132	\$ 3,963,514	\$ 106,182
Totals	\$ 3,721,160	\$ 328,486	\$ 86,132	\$ 3,963,514	\$ 106,182

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the Village.
 General obligation debt at December 31, 2019 is comprised of the following individual issues:

Issue	Issue Dates	Interest Rates	Maturity Dates	Balances 12-31-2019
Governmental Activities:				
G.O. Notes	11-12-2012	2.75%	1-15-2022	\$ 124,005
G.O. Bonds	6-25-2008	3.00-4.50%	2-01-2028	375,000
State Trust Fund Loan	1-10-2013	3.75%	3-15-2032	220,606
State Trust Fund Loan	12-11-2015	3.75%	3-15-2034	751,368
State Trust Fund Loan	5-30-2018	3.00%	3-15-2023	221,845
Total Governmental Activities				\$ 1,692,824

Business Activities:

Revenue Bonds - Water	6-10-2015	1.65%	5-01-2035	\$ 802,764
Revenue Bonds - Sewer	11-28-2018	2.75%	5-01-2058	2,634,400
Revenue Bonds - Sewer	11-28-2018	1.687%	5-01-2038	526,350
Total Business Activities				\$ 3,963,514

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed five percent of the equalized value of taxable property within the village. The debt limit for general obligation debt as of December 31, 2019 was \$3,967,160. The general obligation debt outstanding at December 31, 2019 was \$1,692,824. Total interest paid during the year aggregated \$154,696 for long-term debt.

Aggregate cash flow requirements for the retirement of long-term principal and interest on December 31, 2019 follows:

Governmental Activities:

Year Ended December 31	Principal	Interest	Total
2020	\$ 189,128	\$ 61,945	\$ 251,073
2021	194,134	55,540	249,674
2022	175,596	48,990	224,586
2023	155,708	42,914	198,622
2024	99,848	37,387	137,235
2025-2029	520,001	122,794	642,795
2030-2034	358,409	38,945	397,354
Totals	\$ 1,692,824	\$ 408,515	\$ 2,101,339

Business-Type Activities:

Year Ended December 31	Principal	Interest	Total
2020	\$ 106,182	\$ 93,481	\$ 199,663
2021	108,413	91,275	199,688
2022	110,662	89,020	199,682
2023	112,930	86,716	199,646
2024	115,218	84,362	199,580
2025-2029	613,311	384,627	997,938
2030-2034	680,214	317,388	997,612
2035-2039	486,784	250,267	737,051
2040-2044	350,100	200,556	550,656
2045-2049	401,700	148,947	550,647
2050-2054	460,900	89,734	550,634
2055-2059	417,100	23,335	440,435
Totals	\$ 3,963,514	\$ 1,859,718	\$ 5,823,232

NOTE 4 - OTHER INFORMATION

A - DEFINED BENEFIT PENSION PLAN

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, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

Vested participants may retire at or after age 55 (50 for protective occupation) 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
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

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

During the reporting period, the WRS recognized \$36,200 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

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

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

At December 31, 2019, the Village of Orfordville reported a liability (asset) of \$105,618 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village of Orfordville's proportion of the net pension liability (asset) was based on the Village of Orfordville's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village of Orfordville's proportion was .00296873%, which was an increase of .00010606% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village of Orfordville recognized pension expense of \$72,919.

At December 31, 2019, the Village of Orfordville 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	\$81,328	\$145,406
Net differences between projected and actual earnings on pension plan investments, Net of \$154,247	\$314,355	\$160,108
Changes in Assumptions	\$17,802	\$0
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$3,377	\$20
Employer contributions subsequent to the measurement date	\$37,241	\$0
Total	\$454,103	\$305,534

\$37,241 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources
2019	\$150,275	\$109,951
2020	99,501	88,535
2021	97,404	79,253
2022	70,618	27,874

VILLAGE OF ORFORDVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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

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

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

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

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.

VILLAGE OF ORFORDVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets And Expected Returns	Asset Allocation %	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
As of December 31, 2018	49	8.1%	5.5%
Core Fund Asset Class			
Global Equities	24.5	4.0	1.5
Fixed Income	15.5	3.8	1.3
Inflation Sensitive Assets	9	6.5	3.9
Real Estate	8	9.4	6.7
Private Equity/Debt	4	6.7	4.1
Multi-Asset	110	7.3	4.7
Total Core Fund			
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

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

Single Discount rate. A single discount rate of 7.0% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.0% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village of Albany's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village of Albany's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the Village of Albany's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase To Discount Rate (8.0%)
Village of Orfordville's proportionate share of the net pension liability (asset)	\$419,737	\$105,618	\$(127,953)

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

VILLAGE OF ORFORDVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

B – RISK MANAGEMENT

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

C – COMMITMENTS AND CONTINGENCIES

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 the terms of the grants. Management believes such disallowances, if any, would be immaterial or reimbursed by other governmental agencies.

D – DEPARTMENT OF AGRICULTURE/STATE OF WISCONSIN GRANT AND LOAN FOR SEWER PROJECT

The Village of Orfordville was awarded a grant from the Department of Agriculture (Rural Development) in the amount of \$2,187,600 to partially fund a wastewater treatment plant sewer project. The Village also borrowed a \$2,677,000 revenue bond dated 11-28-2018 and Environmental Improvement Fund revenue bond also dated 11-28-2018. The environmental improvement fund loan is for a maximum of \$540,300. A total of \$526,350 was borrowed as of December 31, 2019. Interest rate for the Department of Agriculture revenue bond is 2.75% and the environmental improvement fund revenue bond is 1.687%. The total project was estimated to be approximately 5.6 million.

REQUIRED SUPPLEMENTAL INFORMATION

Grant funds were received during 2018 and 2019 from both the Department of Agriculture and the Environmental Improvement Fund of the State of Wisconsin. A total of \$118,736 was recorded in 2018 and \$1,690,567 was recorded in 2019 from the Department of Agriculture. A total of \$700,000 was received in 2018 from the Environmental Improvement Fund. The total grant from the Department of Agriculture was a maximum of \$2,187,600. A receivable for grant payments of \$240,359 was accrued at December 31, 2019.

E – SUBSEQUENT EVENTS

Management of the Village has evaluated all subsequent events for possible recognition or disclosure through the date of the financial statements. There have been no subsequent events that require recognition or disclosure except as follows:

The Village does not believe that the coronavirus (COVID-19) pandemic in 2020 will have any long-term affect upon the financial position of the Village.

VILLAGE OF ORFORDVILLE
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY

WISCONSIN RETIREMENT SYSTEM
December 31, 2019

Last 10 Fiscal Years

	2014	2015	2016	2017	2018
Village's proportion of the Net Pension Liability (Asset)	0.00328657%	0.00325245%	0.00319791%	0.00286287%	0.00296873%
Beginning Balance of Net Pension (Asset) Liability	\$	(80,951) \$	52,852 \$	26,358 \$	(84,998) \$
Village's proportionate share of the Net Pension Liability (Asset)	\$	(80,973) \$	52,852 \$	26,358 \$	(84,998) \$
Village's covered-employee payroll	\$	427,407 \$	393,336 \$	408,059 \$	445,474 \$
Village's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-18.95%	13.44%	6.46%	-25.26%	23.71%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.83%	96.45%

The Village is required to show information for 10 years. Only 2014, 2015, 2016, 2017, and 2018 are available.

Notes to Required Supplementary Information:

Changes of Benefit Terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions: Actuarial assumptions are based upon an experience study conducted in 2019 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

VILLAGE OF ORFORDVILLE
SCHEDULE OF THE VILLAGE CONTRIBUTIONS - PENSION
December 31, 2019

WISCONSIN RETIREMENT SYSTEM

Last 10 Fiscal Years

	2014	2015	2016	2017	2018
Contractually required contributions	\$ 33,322 \$	29,615 \$	29,800 \$	24,462 \$	34,620
Contributions in relation to the contractually required contribution	(33,322)	(29,615)	(29,800)	(24,462)	(34,620)
Contribution deficiency (excess)	\$ 0 \$	0 \$	0 \$	0 \$	0 \$
Village's covered-employee payroll	\$ 427,407 \$	383,336 \$	408,059 \$	336,440 \$	445,474
Contributions as a percentage of covered-employee payroll	7.80%	7.53%	7.30%	7.27%	7.77%

The Village is required to show information for 10 years. Only 2014, 2015, 2016, 2017, and 2018 are available.

Notes to Required Supplementary Information:

Changes of Benefit Terms: There were no changes of benefit terms for any participating employer in WRS.

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



James R. Frechette
CERTIFIED PUBLIC ACCOUNTANT

W378 59511 Market Court
Madisonville, WI 53149
(262) 984-9984

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To The Village Board
Village of Orfordville

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Orfordville as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Orfordville's basic financial statements, and have issued our report thereon dated May 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Orfordville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Orfordville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Orfordville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-1 and 2019-2, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Orfordville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SINGLE AUDIT REPORTS



W379-59511 Mercant Court
Madisonville, WI 53149
(262) 984-9984

Village of Orfordville's Response to Findings
Village of Orfordville's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Village of Orfordville's responses were not subjected to our auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 26, 2020

JAMES R. FRECHETTE
CERTIFIED PUBLIC ACCOUNTANT

To The Village Board
Village of Orfordville

Independent Auditor's Report

Report on Compliance for Each Major Federal and State Program

We have audited Village of Orfordville's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration (DOA) that could have a direct and material effect on each of Village of Orfordville's major federal and state programs for the year ended December 31, 2019. The Village of Orfordville's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village of Orfordville's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the type of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Village of Orfordville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Village of Orfordville's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Village of Orfordville complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

VILLAGE OF ORFORDVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2019

Federal Grantor/Pass-Through Grant/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Accrued or (Deferred) Revenue at 12/31/19	Receipts or Revenues Recognized	Total Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/2019	Passed Through to Subrecipients
Water and Waste Disposal Systems for Rural Communities	10.760	5291-01	\$ 98,383	\$ 1,548,571	\$ 1,650,567	\$ 240,359	0
Total U.S. Department of Agriculture			98,383	1,548,571	1,650,567	240,359	0
			\$ 98,383	\$ 1,548,571	\$ 1,650,567	\$ 240,359	0
Summary of Revenues:			\$ 0				
USDA Loan			\$ 1,650,567				
USDA Grant			\$ 1,650,567				

See accompanying notes to schedules of expenditures of federal and state awards.

Report over Internal Control Over Compliance

Management of Village of Orfordville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Village of Orfordville's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Village of Orfordville's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

May 26, 2020



James R. Frechette
 Certified Public Accountant

VILLAGE OF ORFORDVILLE
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For The Year Ended December 31, 2019

VILLAGE OF ORFORDVILLE
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For The Year Ended December 31, 2019

VILLAGE OF ORFORDVILLE
 NOTES TO SCHEDULES OF EXPENDITURES OF
 FEDERAL AND STATE AWARDS
 For the Year Ended December 31, 2019

Awarding Agency: Pass-Through Agency: Award Description	State I.D. Number	State Pass-Through Number	State Receipts 7/1/2019	State Expenditures 12/31/2019	Passed Through to Subrecipients
WI DEPT. OF NATURAL RESOURCES	370.670	n/a	0 \$	4,442 \$	0 \$
Clean Water Fund/Environmental Improvement Fund:					
Grant	281.58 & 281.59	5281-01	132,891	0	0
Grant	281.58 & 281.59	5281-01	106,677	0	0
Total WI. Dept. of Natural Resources			242,478	4,442	0
Grand Total			242,478 \$	4,442 \$	0 \$

1 – Basis of Presentation

The accompanying schedules of expenditures of federal and state awards include the federal and state grant activity of the Village of Orfordville under programs of the federal or state government for the year ended December 31, 2019. The information in these schedules are presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Guidelines. Because the schedules present only a selected portion of the operations of the Village of Orfordville, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village of Orfordville.

2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards and state awards are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3 – Comments on Various State Programs

The total 2019 state aid received by the Village of Orfordville, except for the Clean water funding, was \$390,753. Of that total, \$4,442 was subject to the State Single Audit requirements. The remaining state aids, except for the Clean Water funding, were specifically excluded from the State Single Audit requirements by the various state departments.

4 – Village Sewer Project

The village was awarded a loan and grant from both federal and state sources to complete a sewer plant upgrade.

5 – Indirect Cost Rate

The Village of Orfordville has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Total State Revenue
 \$ 4,442

See accompanying notes to schedules of expenditures of federal and state awards.

VILLAGE OF ORFORDVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of the Village of Orfordville were prepared in accordance with GAAP.

2. Internal control over financial reporting: Yes (2019-1, 2019-2)

Material weakness identified?

Significant deficiencies identified that are not considered to be material weaknesses?

None reported

3. Noncompliance material to financial statements noted?

No

FEDERAL OR STATE AWARDS

4. Internal control over major programs:

Material weakness(es) identified?

No

Significant deficiencies identified that are not considered to be material weakness(es)

None reported

5. Type of auditor’s report issued on compliance For major programs.

Unmodified

6. Any audit findings disclosed that are required To be reported in accordance with section 516 (a) of Uniform Guidance?

No

7. Identification of major federal programs: Name of federal program or cluster:

CFDA Number(s)

Water and Waste Disposal Systems for Rural Communities

10,760

8. Identification of major state programs:

None

9. Dollar threshold used to distinguish between type A and type B programs:

\$750,000 federal \$250,000 state

10. Auditee qualified as low-risk auditee?

No

VILLAGE OF ORFORDVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2019

Section II – Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards:

Finding Number	Finding
2019-1	<p>Lack of Segregation of Duties</p> <p>Criteria: Auditing standards require us to review internal controls of the village’s major accounting processes.</p> <p>Condition: The available staff precludes a proper separation of functions to assure adequate internal control.</p> <p>Cause: The village has a limited number of employees.</p> <p>Effect: The concentration of the duties and responsibilities in a limited number of employees is not desirable from a control point of view. The lack of adequate segregation of duties increases the possibility of improper/incorrect transactions.</p> <p>Recommendation: Under these circumstances, the most effective controls lie in the village board’s knowledge and monitoring of matters relating to the Village’s operations.</p> <p>Village Response: We concur with the finding, and management is aware of the situation related to lack of segregation of duties. To compensate for the lack of segregation of duties, the village board reviews disbursement, budgeted line items, and other financial information.</p>

2019-2

Financial Reporting

Criteria: Auditing standards state that the village should have internal control procedures that enable the preparation of financial records and financial statements by village personnel that are free from material errors.

Condition: The Village of Orfordville has not presented financial records that are free from material errors and has not prepared the annual financial statements. Preparation of financial statements requires a very high level of technical experience and expertise.

Cause: The village staff does not have the necessary resources to properly prepare the village’s financial statements that are free from material errors.

Effect: The village’s financial records were materially misstated. The auditor proposed and made audit entries that were material to the village’s financial statements for the 2019 audit and prepared the village’s financial statements. Thus, complete and accurate financial statements are not available until the conclusion of the audit.

Recommendation: The village may consider and implement additional internal control procedures to ensure the accuracy or preparation of its financial records and annual financial statements. The village should review and eliminate material adjustments proposed by the auditor for the 2019 audit.

Village Response: We concur with the finding and management is aware. Office staff does not have the necessary training to properly prepare the financial statements. The office staff will review proposed audit entries and prepare as many as possible to decrease the number of proposed audit entries. The village will also review and approve a draft of the financial statements.

VILLAGE OF ORFORDVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2019

VILLAGE OF ORFORDVILLE
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 For the Year Ended December 31, 2019

Section II – Financial Statement Findings (Cont'd):

Finding Number	Finding
----------------	---------

Section III – Federal and State Awards Findings and Questioned Costs:

None

Section IV – Other Issues

1. Does the auditor's report or notes to the financial statements include disclosure with substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the audit report show audit issues (i.e. material noncompliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with *State Single Audit Guidelines*:
Department of Natural Resources No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

Section II - FINANCIAL STATEMENT FINDINGS:

2018-1 Lack of Segregation of Duties

This finding was repeated as Finding 2019-1 in the 2019 report.

2018-2 Financial Reporting

This finding was repeated as Finding 2019-2 in the 2019 report.

Section III - FEDERAL AND STATE AWARDS FINDINGS:

There were no prior audit findings.

FORM OF LEGAL OPINION

(See following pages.)

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

August 18, 2021

Re: Village of Orfordville, Wisconsin ("Issuer")
\$3,335,000 General Obligation Corporate Purpose Bonds, Series 2021A
dated August 18, 2021 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$125,000	___%
2023	130,000	___
2024	190,000	___
2025	195,000	___
2026	195,000	___
2027	195,000	___
2028	195,000	___
2029	190,000	___
2030	185,000	___
2031	185,000	___
2032	185,000	___
2033	190,000	___
2034	200,000	___
2035	140,000	___
2036	140,000	___
2037	145,000	___
2038	140,000	___
2039	135,000	___
2040	135,000	___
2041	140,000	___

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

The Bonds maturing on March 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2031 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

QUARLES & BRADY LLP

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 Orfordville, Rock County, Wisconsin (the "Issuer") in connection with the issuance of \$3,335,000 General Obligation Corporate Purpose Bonds, Series 2021A, dated August 18, 2021 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on May 10, 2021 and July 26, 2021 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data 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 July 27, 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 Orfordville, Rock County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Clerk-Treasurer of the Issuer who can be contacted at 303 East Beloit Street, P.O. Box 409, Orfordville, Wisconsin 53576, phone (608) 755-8100, fax (608) 755-8110.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2020, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

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

Section 5. Reporting of Listed Events.

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

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

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A

default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 18th day of August, 2021.

(SEAL)

Gary Phillips
President

Sherri Waege
Village Clerk-Treasurer

NOTICE OF SALE

**\$3,335,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A
VILLAGE OF ORFORDVILLE, WISCONSIN**

Bids for the purchase of \$3,335,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds") of the Village of Orfordville, 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 July 26, 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 Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of paying the cost of street improvement projects, water system projects and sewerage projects, consisting of sanitary sewer and storm water projects, and current refunding certain outstanding obligations of the Village. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated August 18, 2021, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$125,000	2029	\$190,000	2036	\$140,000
2023	130,000	2030	185,000	2037	145,000
2024	190,000	2031	185,000	2038	140,000
2025	195,000	2032	185,000	2039	135,000
2026	195,000	2033	190,000	2040	135,000
2027	195,000	2034	200,000	2041	140,000
2028	195,000	2035	140,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2032 shall be subject to optional redemption prior to maturity on March 1, 2031 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about August 18, 2021, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

SUBMISSION OF BIDS

Bids must not be for less than \$3,293,312 nor more than \$3,535,100 plus accrued interest on the principal sum of \$3,335,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$66,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

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

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

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

- (1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

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

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

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder 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 Bonds to the public at a price that is no higher than the initial offering price to the public.

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

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

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing

issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

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

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

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

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

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

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

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

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

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

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

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Village Board

Sherri Waege, Village Clerk/Treasurer
Village of Orfordville, Wisconsin

BID FORM

The Village Board
Village of Orfordville, Wisconsin

July 26, 2021

RE: \$3,335,000* General Obligation Corporate Purpose Bonds, Series 2021A (the "Bonds")
DATED: August 18, 2021

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$3,293,312 nor more than \$3,535,100) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2022	_____	% due	2029	_____	% due	2036
_____	% due	2023	_____	% due	2030	_____	% due	2037
_____	% due	2024	_____	% due	2031	_____	% due	2038
_____	% due	2025	_____	% due	2032	_____	% due	2039
_____	% due	2026	_____	% due	2033	_____	% due	2040
_____	% due	2027	_____	% due	2034	_____	% due	2041
_____	% due	2028	_____	% due	2035			

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

A rating for the Bonds may not be requested without contacting Ehlers and receiving the permission of the Village.

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

A good faith deposit ("Deposit") in the amount of \$66,700 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about August 18, 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 Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the reoffering price of the Bonds within 24 hours of the bid acceptance.

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

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

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

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 18, 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 Orfordville, Wisconsin, on July 26, 2021.

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