Village of Mukwonago

Notice of Meeting and Agenda

SPECIAL VILLAGE BOARD MEETING
Wednesday, May 5, 2021

Time: **6:30 pm**
Place: **Mukwonago Municipal Building, 440 River Crest Ct., Mukwonago, WI 53149**

****This meeting will begin at 6:30PM or immediately following the Committee of the Whole Meeting.****

1. Call To Order

2. Roll Call

3. New Business

3.1 Appointments to Committees, Commissions, and Boards for 2021.

3.2 Discussion and and possible action to adopt **Resolution 2021-032** and **Resolution 2021-033** amending the position descriptions for the Accountant and Administrative Clerk to switch the Human Resources transaction processing and Payroll processing functions between the two positions.
Agenda Item Cover Report - Job Descriptions.pdf
RESOLUTION 2021-032 (Accountant - HR Specialist Position Description).pdf
RESOLUTION 2021-033 (Administrative-Payables Clerk Position Description).pdf

3.3 Discussion and possible action to approve **Resolution 2021-34** A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF $7,700,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021A
RESOLUTION 2021-34 (2021A GORBs - Authorizing Resolution)
Attachment - 2021A GORBs - PAQ
Attachment - Official Statements Mukwonago, WI April 2021
Attachment - RatingsDirect_SummaryMukwonagoVillageWisconsinGeneralObligationNote_48014
29-2021
Attachment - S&P Rating Letter - Mukwonago Village, WI; Series 2021A, GO

3.4 Discussion and possible action to approve **Resolution 2021-35** A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF $5,000,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021B
RESOLUTION 2021-35 (2021B GOPNs - Authorizing Resolution)
Attachment - PAQ with project list (2021B)
Attachment - Official Statements Mukwonago, WI April 2021
Attachment - RatingsDirect_SummaryMukwonagoVillageWisconsinGeneralObligationNote_48014
29-2021

4. Closed Session
Closed session pursuant to **Wis. Stats.§ 19.85(1)(e)** (Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session) for negotiation with IDC expansion.

5. Open Session
Motion to reconvene into open session pursuant to Wis. Stats. §19.85(2) for possible discussion and/or action concerning any matter discussed in closed session

6. Adjournment

It is possible that a quorum of, members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Please note, upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities through appropriate aids and services. For additional information or to request this service, contact the Municipal Clerk's Office, (262) 363-6420.

VILLAGE OF Mukwonago
440 River Crest Ct | Mukwonago, WI 53149 | Tel: 262.363.6420 | Fax: 262-363-6425

Agenda Item Cover Report

Date: 4-29-2021	**Committee/Board:** Personnel
Submitted by: Diana Doherty	**Department:** Finance/HR
Date of Committee Action: 5-5-2021	**Date of Village Board Action:** 5-5-2021

Subject: Revisions to the Administrative Clerk and Accountant position descriptions within the Finance/HR department.

Executive Summary:
Human Resource transaction processing and Payroll processing are two functions that are handled in the Finance Department. The duties are split for internal control purposes between two employees. Currently, the Administrative Clerk handles the HR transaction processing, while the Accountant handles the payroll processing with both positions acting as back-up to each other for these two functions. I am proposing a change to the job descriptions to move the HR processing duties to the Accountant and the payroll processing duties to the Administrative Clerk.

With the vacancy in the Administrative Clerk function, which also handles the Village's accounts payable process, I believe it will be easier to find someone with the necessary accounts payable and payroll processing experience than it would be find someone with the Human Resource background needed to be quickly successful in the role. The accountant has the HR knowledge since she has served as backup to that function and will easily be able to incorporate those duties into her daily activities. Additionally, she has processed payroll for the past three years so she will be a great resource for the new person and continue to have back-up responsibilities for payroll.

Fiscal Impact:

None

Executive Recommendation/Action:

Approve the changes to the Administrative Clerk and Accountant position descriptions as detailed in the attached resolutions.

☒ **Attachments Included**

RESOLUTION 2021-032

VILLAGE OF MUKWONAGO ACCOUNTANT

Title: Accountant – HR Specialist
Department: Finance
Reports to: Finance Director

Status: Full-Time Wage, NR
Comp Plan Grade: 4
Adoption Date: December 20, 2020
Revision Date: April 29, 2021

I. PRIMARY FUNCTION. Provide accounting and human resources support to the Finance Director within established guidelines, procedures, and authorities, primarily in utility billing, human resources processing and general ledger reconciliation.

II. ESSENTIAL DUTIES AND RESPONSIBILITIES. The following duties are normal for this position. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned. It is expected that all transactions will be reviewed for required data, mathematical accuracy, and proper coding prior to processing.

A. GENERAL DUTIES

1. Reconcile a variety of general ledger accounts to bank statements and subsidiary ledger activity in a timely manner.
   a. Properly document the nature of all discrepancies including any corrective entries to be processed.
   b. Follow up to ensure discrepancies are resolved.
2. Review revenue & expenditure accounts to find posting errors; process corrections as appropriate.
3. Maintain debt retirement records and record journal entries for the payment of debt and/or interest payments in accordance with maturities.
4. Maintain internal control documents for all accounting-related processes.
5. Perform Utility Billing function as documented in departmental procedure. Steps include the following:
   a. Upload meter reading data into the billing software and prepare billing statements after reviewing water consumption reports for unusual activity and making any necessary adjustments to billing account information.
   b. Prepare and send the data file to print vendor for the printing and mailing of billing statements to the residents. Troubleshoot and correct any issues that might arise in this process.
   c. Ensure the designated Utility employee assigned as back-up is regularly involved in the Utility Billing process in order to perform the function independently when necessary
   d. Monitor delinquent billings and follow approved procedures, including
      i. Prepare and mail initial disconnect notices.
      ii. Notify Utilities employees to deliver final notices and/or shut-off water.
      iii. Work with residents to set up payment arrangement and monitor payments to ensure agreement is followed.
   e. Prepare and mail final meter reading invoices.
      i. Prepare final readings for tenants as requested; mail copies of final bill to landlord.
   f. Set up new billing accounts; process name changes.

g. Respond to customer inquiries or complaints.
h. Adjust billing accounts as necessary to correct errors within allowable guidelines.
i. At month end, reconcile monthly Utility Billing aging reports to UB general ledger accounts

6. Monitor and Report Village's cash activity.
   a. Compile transaction processing totals by Fund in "checkbook" spreadsheet.
      i. Record daily totals for cash receipts, disbursements and adjustments involving cash accounts for reconciliation to Bank Accounts and General Ledger
   b. Monitor cash balances in each Fund and notify Finance Director when transfers from the Pool or other depository banks are needed.
   c. Prepare monthly Treasury report for the Village Board showing cash balances in each Fund by the depository bank where the funds are held.
7. Perform Human Resources function as described below and in departmental procedures:
   a. Compile information required for all new hires and set-up employee in payroll system ~~and answer benefit related questions.~~
   b. Provide employees with benefit information, answer questions and ensure forms are submitted by required deadlines.
   c. Maintain employee information in payroll system and personnel files.
   d. Process timely changes to employee benefits or compensation in the payroll system
      i. Set up a system of automatic reminders for contractual increases in compensation or benefit changes set to occur on a certain date; follow-up with Department Head to obtain appropriate status change forms.
      ii. Understand accounting effect of any types of changes made in payroll to ensure related calculations are appropriate and the correct general ledger accounts will be impacted.
   e. Comply with all federal, state, and Village policies, procedures, and regulations concerning Human Resources data processing and reporting.
      i. Stay updated on any legal or policy changes concerning employees.
      ii. Complete and submit workers' compensation forms, pension contribution forms, and other government documents.
      iii. Reconcile annual reports related to WRS and deferred compensation contributions to ensure account balances agree.
   f. Stay abreast of and notify employees when there are changes to benefits or policies which impact them.
   g. File and track worker's compensation claims, working with payroll clerk to make any necessary wage adjustments.
   h. As directed, amend the employee handbook to incorporate new or changed information.
8. Primary back-up to the b-weekly Payroll processing function performing all steps necessary to execute a successful payroll.
9. Assist Clerk/Treasurer in preparing annual Tax Levy
   a. Put special assessment installments; delinquent UB & A/R on tax bills.
   b. Process tax receipts in subsidiary tax ledger.
      i. This includes payments received at Village Hall and those deposited directly to Village accounts at local banks.

c. Report totals collected to the County Treasurer for tax settlements by the required deadlines.
    i. Understand impact of posting errors or NSF checks.
    ii. Email batch data to Waukesha & Walworth counties.
d. Once certified, issue settlement checks in the appropriate amounts to the various taxing authorities.
e. Coordinate tax collection procedures with local depository banks for direct deposits.

10. Miscellaneous accounting/finance-related tasks include the following:
    a. Prepare monthly budget-to-actual reports for both departmental and Village Board review.
    b. Update Special Assessment installment tracking spreadsheets.
    c. Update Impact Fee tracking spreadsheets.
    d. Access computerized financial information to answer general questions as well as those related to specific accounts
        i. Recognize the types of transactions recorded within ledger accounts; where to find the supporting documentation for the transactions; and how the transactions affect the ledger balances.
    e. Monitor contractual payments due to the Village to ensure receipt when due.
    f. Process regularly occurring journal entries to record activity that cannot be processed as payables, receivables, or cash receipt transactions.
        i. As knowledge increases, determine and process journal entries needed for more complex situations (for example to correct payroll allocation errors) or for yearend accruals.
    g. Compile data and supporting documentation for budget preparation.
    h. Compile data and supporting documentation for annual audit.
        i. Respond to auditor questions concerning transactions or procedures.
    i. Assist the Finance Director in compiling data for analytical purposes.
        i. Analyze data as directed for various purposes.
    j. Maintain capitalized fixed asset records.
    k. File quarterly sales/use tax reports and process online disbursement for amount due to the state.
    l. Perform financial calculations such as amounts due, interest charges, balances, and penalties.
    m. Maintain appropriate documentation and adequate explanation of any exception processing for all financial transactions.
11. Cross-train on other departmental functions to fill in as needed.
12. Pursue educational opportunities to enhance job skills.
13. Pursue initiatives to streamline processes and make them more efficient & effective.

III. EDUCATION, LICENSURE/CERTIFICATION AND EXPERIENCE. To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skills and abilities required.

A. Associate degree in accounting, Bachelor degree desirable.
B. Experience in municipal accounting or financial administration, including local government operations. Experience with personal computers, personal computer networks, computerized accounting systems and standard personal computer operating systems, spreadsheet, word processing and database programs. Any equivalent

combination of experience and education which provides the required knowledge, skills and abilities.

IV. ESSENTIAL SKILLS OF THE JOB

A. Ability to instruct and train other staff.
B. Ability to utilize computer programs and equipment.
C. Ability to communicate effectively orally and in writing.
D. Ability to multi-task and problem solve.

V. WORK ENVIRONMENT. The work environment characteristics are reflective of the responsibilities as described in the major duties and responsibilities. Work is performed in an office environment. Contact with staff, other Village employees, public and governmental agencies are required.

VI. AMERICANS WITH DISABILITIES ACT (ADA) ESSENTIAL ELEMENTS AND QUALIFICATIONS.

A. Must be able to sit, stand, bend, walk and climb with or without back support.
B. Able to lift up to 25 pounds.
C. Must have dexterity and hand/eye coordination necessary to operate computer keyboard and other office equipment.
D. Hearing activities requires the ability to participate in numerous conversations throughout the workday both in person and over the telephone.
E. Must be able to work with file cabinets that are 5'8" in height and cabinet drawers that have a depth of 24."

VII. ADDITIONAL REQUIREMENTS.

A. Compliance with the conditions of employment as stated in the Village of Mukwonago Employee Handbook.
B. Must keep current with new computer technology which would benefit the Village and its residents.
C. Work with the Auditors in the annual audit of financial records.
D. Implement the policy directives of the Village Board.

The Village of Mukwonago is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the Village will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

Adopted this 5th day of May 2021

____
Fred Winchowky, Village President

Attest: ______________________________
Diana Dykstra., Clerk-Treasurer

RESOLUTION 2021-033

VILLAGE OF MUKWONAGO ADMINISTRATIVE / PAYABLES CLERK POSITION DESCRIPTION

Title: Administrative / Payables Clerk
Department: Finance
Reports to: Finance Director

Status: Full-Time Wage, NR
Comp Plan Grade: 2
Adoption Date: May 16, 2017
Revision Date: May 5, 2021

I. **PRIMARY FUNCTION.** Provide clerical and process support to all Village Hall departments with an emphasis on accounts payable and payroll processing. Assignments are generally recurring in nature, but the employee is expected to exercise judgment in dealing with unusual circumstances. This is considered a confidential position.

II. **ESSENTIAL DUTIES AND RESPONSIBILITIES.** The following duties are normal for this position. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

A. FINANCIAL DUTIES

1. Perform Accounts Payable function as documented in the departmental procedure.
   a. Distribute all incoming invoices electronically to appropriate Department Head for initial approval and coding thru the Accounts Payable processing software.
   b. Prepare report summarizing payment activity for Village Board approval.
   c. Once approved, generate the checks and post the transactions to the general ledger.
      i. Process Library invoices per Library Board approval.
      ii. Process various other payables, such as the monthly credit card statement transactions.
   d. Ensure invoices with pre-payment or early payment discount are paid on time.
   e. Ensure AP invoices with sales tax included are paid without the tax and that the appropriate exemption certificate is sent to the vendor along with the payment.
   f. Ensures that no penalties accrue for late payments.
   g. Process manual checks as authorized by Finance Director.
   h. Issue 1099s to vendors at year end as appropriate
2. Perform bi-weekly Payroll processing function. Steps include the following:
   a. Review time sheets or reports signed and submitted by Department Heads for completeness and accuracy.
   b. Confirm if any authorized or scheduled changes need to be made to pay, benefits, etc. prior to initiating the payroll process in the system.
   c. Charge hours worked and/or time taken off for each employee to the appropriate department, using the appropriate pay codes.
   d. Run reports and review for errors.
      i. Verify any authorized changes are calculating properly.
   e. Finalize payroll, prepare necessary benefit-related disbursements; and transfer funds to checking account to cover the automatic withdrawal for direct deposit to employee accounts and tax payments.

3. Perform Cash Receipt function as documented in departmental procedure.
    a. Accurately receipt all forms of payments (cash, check or credit card) received in-person at Village Hall or via mail/drop box through the Point-of-Sale (POS) software capturing all data necessary to properly classify the payment into the correct General Ledger account.

B. BUILDING INSPECTION SUPPORT

1. Cross-train on basic Building Inspection Support Specialist duties to provide back-up for vacations and busy periods.

C. ELECTION SUPPORT

1. Assist Clerk-Treasurer with any election-related tasks as needed

D. ADDITIONAL DUTIES

1. Receive the public and answer questions; respond to inquiries from employees, citizens, and others or refer, when necessary, to appropriate persons.
2. Act as complaint ombudsman and distribute complaints received to the appropriate department for resolution.
3. Open and distribute mail; handle routine correspondence.
4. Respond to Special Assessment inquiries; prepare letters as requested.
5. File and track insurance claims as requested
6. Provide information for annual audits, such as the financial audit and worker's comp insurance audit.
7. Reconcile monthly court sheet prior to issuing checks to County or State.
8. Maintain court partial payment records until authorized to release funds.
    a. Issue court checks for restitution payments or refunds of citation overpayments
9. Assist with the coordination of community room rentals, park rentals and sports team calendar as necessary
10. Perform notary services.
11. Issue refunds for tax overpayments to the appropriate entities and maintain records for all refund activity.
12. Cross-train on other department functions to provide support as needed.
13. Access computerized financial information to answer general questions and those related to specific accounts.
    a. Recognize the types of transactions recorded within general ledger accounts; where to find supporting documentation for the transactions; and how transactions affect the general ledger balances.
14. Type and file a variety of records reports and letters; perform a variety of clerical support office functions for other departments as requested.
15. Maintain Village Hall petty cash fund; reconcile petty cash activity from the Library and Police Department
16. Maintain appropriate documentation and adequate explanations of any exception processing for all financial or payroll process transactions.
17. Troubleshoot and resolve issues related to all forms of office equipment at Village Hall; maintain external contact information when issues can't be resolved internally.
18. Pursue educational opportunities to enhance skills and suggest initiatives to streamline processes and make them more efficient and effective.

III. EDUCATION, LICENSURE/CERTIFICATION AND EXPERIENCE. To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skills and abilities required.

A. High School diploma or GED
B. Completion of standard high school course(s) or any equivalent combination of experience and training which provides the required knowledge, skills, and abilities.
C. Knowledge of office procedures and terminology; skill in the operation of electronic typewriters, calculators, electronic cash register, copy machine, and computer data entry.

IV. ESSENTIAL SKILLS OF THE JOB

A. Ability to instruct and train other staff.
B. Ability to utilize computer programs and equipment.
C. Ability to communicate effectively orally and in writing.
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V. WORK ENVIRONMENT. The work environment characteristics are reflective of the responsibilities as described in the major duties and responsibilities. Work is performed in an office environment. Contact with staff, other Village employees, public and governmental agencies are required.

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VII. ADDITIONAL REQUIREMENTS.

A. Compliance with the conditions of employment as stated in the Village of Mukwonago Employee Handbook.
B. Must keep current with new computer technology which would benefit the Village and its residents.
C. Implement the policy directives of the Village Board.

The Village of Mukwonago is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the Village will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

Adopted this 5th day of May 2021.

____
Fred Winchowky, Village President

Attest: ____

Diana Dykstra, Clerk-Treasurer

RESOLUTION NO. 2021-34

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
$7,700,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021A

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Village") to raise funds to pay the cost of refinancing certain outstanding obligations of the Village, specifically, its Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018 (the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, the Village Board deems it to be necessary, desirable and in the best interest of the Village to refund the Refunded Obligations on their June 1, 2021 maturity date for the purpose of providing permanent financing for the projects financed by the Refunded Obligations;

WHEREAS, the Village is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance its outstanding obligations; and

WHEREAS, it is the finding of the Village Board that it is necessary, desirable and in the best interest of the Village to sell such general obligation refunding bonds to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser"), pursuant to the terms and conditions of its bond purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal").

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1. Authorization and Sale of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of SEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS ($7,700,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the President and Village Clerk or other appropriate officers of the Village are authorized and directed to execute an acceptance of the Proposal on behalf of the Village. To evidence the obligation of the Village, the President and Village Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Village, the general obligation refunding bonds aggregating the principal amount of SEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS ($7,700,000) (the "Bonds") for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds, Series 2021A"; shall be issued in the aggregate principal amount of $7,700,000; shall be dated May 19, 2021; shall be in the denomination of $5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on June 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference.

Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2021. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Village, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the Village shall direct.]

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the Village are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Village a direct annual irrepealable tax in the years 2021 through 2037 for the payments due in the years 2021 through 2038 in the amounts set forth on the Schedule. The amount of tax levied in the year 2021 shall be the total amount of debt service due on the Bonds in the years 2021 and 2022; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of interest on the Bonds in the year 2021.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the Village shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the Village and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the Village then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. The Village hereby appropriates amounts levied to pay debt service on the Refunded Obligations or other funds of the Village on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay debt service on the Bonds coming due in 2021 as set forth on the Schedule.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the Village, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the Village may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Refunding Bonds, Series 2021A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the Village at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the Village above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the Village, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the Village, unless the Village Board directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the Village and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Bonds have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the Village, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The Village represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The Village further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The Village further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Village certifying that the Village can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Village also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the Village will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the Village has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Village hereby authorizes the officers and agents of the Village to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 11. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the Village's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Village hereby authorizes the President and Village Clerk or other appropriate officers of the Village to enter a Fiscal Agency Agreement between the Village and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 12. Persons Treated as Owners; Transfer of Bonds. The Village shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the President and Village Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 13. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the Village at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Village agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the Village Clerk or other authorized representative of the Village is authorized and directed to execute and deliver to DTC on behalf of the Village to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the Village Clerk's office.

Section 15. Official Statement. The Village Board hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the Village in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate Village official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The Village Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 16. Undertaking to Provide Continuing Disclosure. The Village hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the Village to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the President and Village Clerk, or other officer of the Village charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Village's Undertaking.

Section 17. Record Book. The Village Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 18. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the Village are authorized to take all actions necessary to obtain such municipal bond insurance. The President and Village Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the President and Village Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

DRAFT

Section 19. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded May 5, 2021.

____
Fred Winchowky
President

ATTEST:

____
Diana Dykstra
Village Clerk

(SEAL)

DRAFT

EXHIBIT A

Bond Purchase Proposal

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-1

Pricing Summary

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on June 1, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on June 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on June 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on June 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on June 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on June 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)]

DRAFT

EXHIBIT C

(Form of Bond)

UNITED STATES OF AMERICA

REGISTERED STATE OF WISCONSIN DOLLARS

WAUKESHA AND WALWORTH COUNTIES

NO. R-___ VILLAGE OF MUKWONAGO $_______

GENERAL OBLIGATION REFUNDING BOND, SERIES 2021A

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
June 1, _____	May 19, 2021	____%	______

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _______________________ THOUSAND DOLLARS
($___________)

FOR VALUE RECEIVED, the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Village"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2021 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Village are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of $7,700,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the Village pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of refunding certain obligations of the Village, as authorized by a resolution adopted on May 5, 2021. Said resolution is recorded in the official minutes of the Village Board for said date.

DRAFT

The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Village, and within each maturity by lot (as selected by the Depository), 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 resolution referred to above, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Village, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the Village kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the Village appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the Village for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and Village may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified President and Village Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES,
WISCONSIN

By: ______________________________
Fred Winchowky
President

(SEAL)

By: ______________________________
Diana Dykstra
Village Clerk

DRAFT

Date of Authentication: _______________, ______

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned resolution of the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin.

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION,
GREEN BAY, WISCONSIN

By____________________________
Authorized Signatory

DRAFT

<u>ASSIGNMENT</u>

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____

(Name and Address of Assignee)

____

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints ______________________________________, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____________________

Signature Guaranteed:

_____________________________ _______________________________

(e.g. Bank, Trust Company or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

____

(Authorized Officer)

DRAFT

<u>Private Activity and Other Tax Matters Questionnaire</u>

Village of Mukwonago, Wisconsin ("Issuer")
General Obligation Refunding Bonds, Series 2021A ("Obligations")

In anticipation of the Issuer's upcoming borrowing, we ask that you answer the questions below which will help us determine whether the borrowing qualifies for tax-exempt financing and what special treatment the Issuer or Obligations may qualify for under the Internal Revenue Code (the "Code") and applicable Treasury Regulations (the "Regulations"). Please direct any questions to any of the Public Finance attorneys at Quarles & Brady LLP at 414-277-5000.

I. **<u>Private Activity</u>:** Subject to specific exceptions provided for in the Code, the interest on municipal obligations which finance private activities or provide special benefits to private entities is taxable. Please note that for purposes of this questionnaire, a **"Non-Governmental Entity"** means any person, partnership, corporation or other organization that is not a state, city, village, town, county, school district, technical college district or other special district or joint powers authority. The federal government is a Non-Governmental Entity. A 501(c)(3) organization is also a Non-Governmental Entity.

1. Description of the project(s) to be financed or refinanced with the proceeds of the Obligations: <u>water and sewer system extensions and improvements (originally financed by the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018) (the "Refunded Obligations") (the "Project").</u>

☐ **YES** ☐ **NO** Does the above description accurately and completely describe the project(s) to be financed with proceeds of the Obligations? **If NO, please make appropriate changes in the language above.**

☐ **YES** ☐ **NO** 2. Will any portion of the Project be owned by, or leased (or subleased) to, or sold to a Non-Governmental Entity? **If YES, attach a description of the planned sale or lease.**

☐ **YES** ☐ **NO** 3. Will any portion of the Project be managed (pursuant to a management contract or incentive payment contract) by a Non-Governmental Entity? **If YES, attach a copy of the operating or management contract.**

☐ **YES** ☐ **NO** 4. Will any portion of the Project be used for research or testing pursuant to an agreement with a Non-Governmental Entity? **If YES, attach a copy of the agreement.**

☐ YES ☐ NO

5. Will any Non-Governmental Entity have a right to use the Project or purchase output from the Project through any procedure or contract which gives preference to that customer over any other? **If YES, attach a description of the arrangement that includes the following:**

   a. Customer name.

   b. Percentage of annual revenue of the Project attributable to the customer.

☐ YES ☐ NO

6. Are there or will there be any informal agreements, historical arrangements, or other arrangements, written or oral, that convey special legal entitlements to a Non-Governmental Entity, such as granting priority rights or capacity rights to use the Project or granting naming rights to the Project? **If YES, attach a description of the arrangement.**

☐ YES ☐ NO

7. Will any Non-Governmental Entity, receive a special economic benefit from the Project, such as what might occur if the Project is not available for general public use and is functionally related to property used in the trade or business of a Non-Governmental Entity or benefits a small number of nongovernmental persons? **If YES, attach a description of the arrangement.**

☐ YES ☐ NO

8. a. Is there any portion of the Project that is used by private entities or organizations rather than by members of the general public or by employees (or, in the case of school facilities, students) of the Issuer? **If YES, please attach a description of such use.**

☐ YES ☐ NO

b. Do all members of the general public who use the Project use it on the same basis (for example, a "first come, first served" basis or pursuant to a standard rate schedule)? **If NO, please attach a description of the basis of the use of the project.**

☐ YES ☐ NO

9. Are there any contracts for incidental uses of the Project (e.g., pay telephones, vending machines, newsstands, etc.) by Non-Governmental Entities? **If YES, attach a description of the contracts.**

☐ YES ☐ NO 10. Will any portion of the proceeds from the proposed borrowing be loaned to any other person or entity? **If YES, attach a description of the loan program.**

☐ YES ☐ NO 11. Will a Non-Governmental Entity make payments to the municipality for use of the Project in a manner other than through uniformly applied rates or generally applied taxes? **If YES, attach a description of the payment obligation.**

☐ YES ☐ NO 12. Is the payment of any portion of the debt service on the proposed issue secured (directly or indirectly) by a guarantee from a Non-Governmental Entity or a pledge of private property, pursuant to a development agreement or other arrangement? **If YES, attach a description of the agreement or arrangement.**

☐ YES ☐ NO 13. Is any of the Project or portion of the Project expected to be sold or otherwise disposed of before the last maturity date of the Obligations and any anticipated refinancings thereof?

☐ YES ☐ NO 14. Are there any other facts and circumstances regarding the construction, operation, or use of the project by a Non-Governmental Entity? Please describe: ____________________
____
____
____

II. **<u>Remaining Proceeds</u>:** Please identify the amount of any unspent proceeds of the Refunded Obligations (*if none, please indicate none*):

____
____
____

III. **<u>IRS Audits</u>:** Have the Refunded Obligations been subject to an IRS audit?

☐ YES ☐ NO

If YES, please provide a brief description and attach the audit and response.

____
____

ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Issuer, and that I am authorized by the Issuer to execute this Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, refinancing, construction, acquisition and/or improvement of the Project, and I am acting on behalf of the Issuer in executing this Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these responses or attached documentation. I understand the foregoing will be relied upon by Quarles & Brady LLP in determining the tax-exempt status of the Obligations.

Prepared and submitted by:

____

Name:_________________________________

Title:__________________________________

Phone:_________________________________
Village of Mukwonago, Wisconsin

Date:__________________________________

This Preliminary Official Statement and the information contained herein are subject to completion or 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.

NEW ISSUES (BOOK ENTRY ONLY)
NOT BANK QUALIFIED

INVESTMENT RATING REQUESTED
S&P GLOBAL RATINGS

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 Securities is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "LEGAL MATTERS - Tax Exemption" herein for a more detailed discussion of some of the federal income tax consequences of owning the Securities. The interest on the Securities is not exempt from present Wisconsin income or franchise taxes. The Securities are NOT "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code.

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN
$7,700,000* General Obligation Refunding Bonds, Series 2021A
$5,000,000 General Obligation Promissory Notes, Series 2021B

Dated: May 19, 2021 Due: As shown herein

The Bonds

The $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds") are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The Bonds will be general obligations of the Village of Mukwonago, Wisconsin (the "Village") for which its full faith, credit and resources are pledged. The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018 (the "2018 Notes"). See "THE BONDS - Obligations to be Refunded" herein.

Principal of the Bonds, payable annually each June 1, commencing June 1, 2022 through 2038 and interest, payable each June 1 and December 1, commencing December 1, 2021, will be paid to DTC (defined below), which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Notes

The $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes") are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Village for which its full faith, credit and resources are pledged. The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.

Principal of the Notes, payable annually each April 1, commencing April 1, 2022 through 2031 and interest, payable each April 1 and October 1, commencing April 1, 2022, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Notes as described herein.

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Securities

The Bonds and Notes (together, the "Securities") will be issued as fully registered obligations without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Securities. Individual purchases may be made in book entry form only, in denominations of $5,000 or more. Purchasers will not receive certificates representing their interest in the Securities purchased. Associated Trust Company, National Association, will act as registrar and fiscal agent for the Securities.

The Securities are offered when, as and if issued, subject to the receipt of the approving opinions of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also serve as Disclosure Counsel for the Village. The Securities will be available for delivery on or about May 19, 2021, through the facilities of DTC in New York, New York.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS ***NOT*** A SUMMARY OF THESE ISSUES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

Huntington Capital Markets

*Preliminary, subject to change.

MATURITY SCHEDULES

$7,700,000* General Obligation Refunding Bonds, Series 2021A
Dated: May 19, 2021
Due: June 1, 2022 through 2038

The Bonds will mature June 1, as follows:

Year	Amount	Rate	Yield	CUSIP No.[1] 625064	Year	Amount	Rate	Yield	CUSIP No.[1] 625064
2022	$385,000	%	%		2031	$460,000	%	%	
2023	390,000				2032	470,000			
2024	400,000				2033	480,000			
2025	410,000				2034	485,000			
2026	415,000				2035	495,000			
2027	425,000				2036	505,000			
2028	435,000				2037	520,000			
2029	440,000				2038	535,000			
2030	450,000								

Principal of the Bonds, payable annually each June 1, commencing June 1, 2022 through 2038 and interest, payable each June 1 and December 1, commencing December 1, 2021, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

$5,000,000 General Obligation Promissory Notes, Series 2021B
Dated: May 19, 2021
Due: April 1, 2022 through 2031

The Notes will mature April 1, as follows:

Year	Amount*	Rate	Yield	CUSIP No.[1] 625064	Year	Amount*	Rate	Yield	CUSIP No.[1] 625064
2022	$300,000	%	%		2027	$ 300,000	%	%	
2023	400,000				2028	700,000			
2024	100,000				2029	500,000			
2025	100,000				2030	1,250,000			
2026	100,000				2031	1,250,000			

Principal of the Notes, payable annually each April 1, commencing April 1, 2022 through 2031 and interest, payable each April 1 and October 1, commencing April 1, 2022, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Notes as described herein.

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

*Preliminary, subject to change.

(1) See "CUSIP INFORMATION" herein.

Unless otherwise indicated, information contained in this Official Statement is based upon material provided by the Village of Mukwonago, Wisconsin (the "Village") and available at the date of publication of the Official Statement. Certain information contained herein has been obtained from sources other than records of the Village, and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than as contained in this Official Statement in connection with the offering of the Securities and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the operations of the Village since the date of this Official Statement.

The Securities have not been registered pursuant to the Securities Act of 1933, in reliance upon exemptions contained in such Act.

This Official Statement is in a form deemed final by the Village for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)).

TABLE OF CONTENTS

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN

VILLAGE BOARD

Name	Position on Board	Term Expires
Fred Winchowky	President	April, 2022
Roger Walsh	Trustee	April, 2022
Darlene Johnson	Trustee	April, 2024
Eric Brill	Trustee	April, 2024
James Decker	Trustee	April, 2022
Daniel J. Adler	Trustee	April, 2023
John O. Meiners	Trustee	April, 2023

VILLAGE ADMINISTRATION

Vacant, Administrator [(1)]
Diana Dykstra, Clerk/Treasurer
Diana Doherty, Finance Director
Linda Gourdoux, Deputy Clerk/Treasurer
Mark G. Blum, Village Attorney

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Quarles & Brady LLP
Milwaukee, Wisconsin

UNDERWRITER

Huntington Capital Markets
Waukesha, Wisconsin

REGISTRAR AND FISCAL AGENT

Associated Trust Company, National Association,
Green Bay, Wisconsin

[(1)] The Administrator position is currently vacant. In the interim, department heads are working with their specific committee chairs until further decisions for a replacement are made.

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SUMMARY - THE BONDS

This is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement and all such documents.

Issuer	Village of Mukwonago, Wisconsin
Issue	$7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds")
Dated Date	May 19, 2021
Principal Due	June 1, 2022 through 2038.
Interest Payment Date	Semi-annually each June 1 and December 1, commencing December 1, 2021. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.
Redemption Provisions	The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.
Purpose	The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018. See "THE BONDS - Obligations to be Refunded" herein.
Security	The Village pledges its full faith, credit and resources and there will be levied on all the taxable property in the Village a direct, annual, irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Bonds.
Authority	The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, and an authorizing resolution to be adopted by the Village Board on May 5, 2021.
Tax Exemption	Interest on the Bonds is excludable from gross income for federal income tax purposes. (See "LEGAL MATTERS - Tax Exemption" herein.)
No Bank Qualification	The Bonds are NOT "qualified tax-exempt obligations."
Credit Rating	A rating on the Bonds has been requested from S&P Global Ratings, a division of S&P Global.
Underwriter	Huntington Securities, Inc. dba Huntington Capital Markets
Registrar and Fiscal Agent	Associated Trust Company, National Association, Green Bay, Wisconsin.
Record Date	The fifteenth day of the calendar month next preceding each interest payment date.
Delivery Date and Place	On or about May 19, 2021, through the facilities of DTC in New York, New York.
Denominations	The Bonds will be issued in denominations of $5,000 each and integral multiples thereof.
Bond Years	73,256.67 **Average Life** 9.514 years
Continuing Disclosure	The Official Statement will be available from the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") System. The Village will covenant to provide annual reports, as required, and timely notice of certain events as set forth in the Continuing Disclosure Certificate for the Bonds. See Appendix C herein.

*Preliminary, subject to change.

SUMMARY - THE NOTES

This is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Notes to potential investors is made only by means of the entire Official Statement and all such documents.

Issuer	Village of Mukwonago, Wisconsin
Issue	$5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes")
Dated Date	May 19, 2021
Principal Due	April 1, 2022 through 2031.
Interest Payment Date	Semi-annually each April 1 and October 1, commencing April 1, 2022. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.
Redemption Provisions	The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.
Purpose	The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.
Security	The Village pledges its full faith, credit and resources and there will be levied on all the taxable property in the Village a direct, annual, irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Notes.
Authority	The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes, and an authorizing resolution to be adopted by the Village Board on May 5, 2021.
Tax Exemption	Interest on the Notes is excludable from gross income for federal income tax purposes. (See “LEGAL MATTERS - The Notes - Tax Exemption” herein.)
No Bank Qualification	The Notes are NOT "qualified tax-exempt obligations."
Credit Rating	A rating on the Notes has been requested from S&P Global Ratings, a division of S&P Global.
Underwriter	Huntington Securities, Inc. dba Huntington Capital Markets
Registrar and Fiscal Agent	Associated Trust Company, National Association, Green Bay, Wisconsin.
Record Date	The fifteenth day of the calendar month next preceding each interest payment date.
Delivery Date and Place	On or about May 19, 2021, through the facilities of DTC in New York, New York.
Denominations	The Notes will be issued in denominations of $5,000 each and integral multiples thereof.
Bond Years	36,083.33 **Average Life** 7.217 years
Continuing Disclosure	The Official Statement will be available from the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (“EMMA”) System. The Village will covenant to provide annual reports, as required, and timely notice of certain events as set forth in the Continuing Disclosure Certificate for the Notes. See Appendix C herein.

OFFICIAL STATEMENT

VILLAGE OF MUKWONAGO, WISCONSIN
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN
$7,700,000* General Obligation Refunding Bonds, Series 2021A
$5,000,000 General Obligation Promissory Notes, Series 2021B

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information in connection with the issuance of $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds") and the $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes" and together with the Bonds, the "Securities") of the Village of Mukwonago, Wisconsin (the "Village").

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Official Statement is based upon material provided by the Village or obtained from other sources and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

All references to material included in this Official Statement not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request.

Information, including the Village's prior years' financial statements is available upon request and upon payment to the Village of a charge for any copying, mailing and handling if required, from Ms. Diana Dykstra, Clerk/Treasurer, Village of Mukwonago, 440 River Crest Court, Mukwonago, Wisconsin, 53149, telephone (262) 363-6420 or e-mail at ddykstra@villageofmukwonago.com or from Huntington Securities, Inc. dba Huntington Capital Markets at (414) 298-9898.

THE BONDS

Purpose

The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018 (the "2018 Notes"). Proceeds of the Bonds shall be used to pay the 2018 Notes at maturity on June 1, 2021. Interest due on the 2018 Notes on June 1, 2021 shall be paid from Village funds on hand.

Authority for Issuance

The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, and a Resolution Authorizing the Issuance and Sale of $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds Resolution") to be adopted by the Village Board on May 5, 2021.

Description

The Bonds will be dated May 19, 2021, the date of delivery, and will bear interest from their dated date to their respective maturity dates. Principal of the Bonds will be payable annually on each June 1, commencing June 1, 2022 through 2038. Interest will be payable semi-annually each June 1 and December 1, commencing December 1, 2021. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

*Preliminary, subject to change.

Sources and Applications of Funds

Sources of Funds

Par Amount of Bonds	$
Reoffering Premium	
Total Sources	$

Applications of Funds

Deposit to Debt Service Fund (for Current Refunding)	$
Costs of Issuance (including Underwriter's Discount)	
Total Applications	$

Obligations to be Refunded

$7,700,000 Waterworks System and Sewerage System Revenue
Bond Anticipation Notes, Series 2018D (the "2018 Notes")
Dated: June 1, 2018
Due: June 1, 2021

Year	Amount Outstanding	Amount to be Refunded (1)	CUSIP No.
2021	$7,700,000	$7,700,000	62507PFB3

(1) Proceeds of the Bonds shall be used to pay the 2018 Notes at maturity on June 1, 2021. The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Sources of Payment for the Bonds

The Village is authorized and required by law to levy on all property taxable by the Village such *ad valorem* taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon.

Security for the Bonds

As security for the Bonds, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Bonds. The tax will be levied under the Bonds Resolution for collection in each of the years 2021 through 2038 or monies to pay debt service will otherwise be appropriated.

Redemption Provisions

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Notice of Redemption

Notice of redemption shall be given by facsimile or electronic transmission, certified or registered mail, overnight express delivery or in any other manner required by DTC, to DTC or its nominee as the registered owner of the Bonds. Such notice shall be mailed not more than 60 days nor less than 30 days prior to the date fixed for redemption. Except as set forth in any undertaking by the Village to provide continuing disclosure, the Village will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

THE NOTES

Purpose

The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.

Authority for Issuance

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes, and a Resolution Authorizing the Issuance and Sale of $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes Resolution") to be adopted by the Village Board on May 5, 2021.

Description

The Notes will be dated May 19, 2021, the date of delivery, and will bear interest from their dated date to their respective maturity dates. Principal of the Notes will be payable annually on each April 1, commencing April 1, 2022 through 2031. Interest will be payable semi-annually each April 1 and October 1, commencing April 1, 2022. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Sources and Applications of Funds

Sources of Funds	
Par Amount of Notes	$
Reoffering Premium	
Total Sources	$
Applications of Funds	
Deposit to Project Fund	$
Costs of Issuance (including Underwriter's Discount)	
Deposit to Debt Service Fund	
Total Applications	$

Sources of Payment for the Notes

The Village is authorized and required by law to levy on all property taxable by the Village such *ad valorem* taxes, without limitation as to rate or amount, as may be necessary to pay the Notes and the interest thereon.

Security for the Notes

As security for the Notes, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Notes. The tax will be levied under the Notes Resolution for collection in each of the years 2022 through 2031 or monies to pay debt service will otherwise be appropriated.

Redemption Provisions

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Notice of Redemption

Notice of redemption shall be given by facsimile or electronic transmission, certified or registered mail, overnight express delivery or in any other manner required by DTC, to DTC or its nominee as the registered owner of the Notes. Such notice shall be mailed not more than 60 days nor less than 30 days prior to the date fixed for redemption. Except as set forth in any undertaking by the Village to provide continuing disclosure, the Village will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

THE RESOLUTIONS

The Bonds Resolution and the Notes Resolution (together, the "Resolutions") are to be adopted by the Village Board pursuant to the procedures prescribed by the Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Resolutions authorize the issuance of the Securities and the sale of the Securities to the Underwriter. The Resolutions establish the form and terms of the Securities, including the dating, maturity schedule, interest payment dates and redemption provisions, as shown in this Official Statement, and approves the interest rates to be borne by the Securities. Pursuant to the Resolutions, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Securities. The Resolutions establish, separate and distinct from all other funds of the Village, debt service funds with respect to payment of principal and interest on the Securities.

BOOK-ENTRY-ONLY SYSTEM

The following information has been furnished by The Depository Trust Company for use in this Official Statement. Neither the Village nor the Underwriter takes any responsibility for the accuracy or completeness of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for 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 maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 the 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 the 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 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 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 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 Registrar. 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 Issuer takes no responsibility for the accuracy thereof.

Registrar and Fiscal Agent

Associated Trust Company, National Association, Green Bay, Wisconsin, will act as registrar and fiscal agent for the Securities.

CUSIP INFORMATION

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THE VILLAGE

Village Board

The legislative body of the Village is the Village Board which consists of a president and six trustees. Since Charter Ordinance #938 was adopted on October 17, 2017, Village Trustees have been elected to staggered three-year terms starting with the 2018 election.

Services

Public Safety

In addition to the Police Chief, Assistant Chief and two Lieutenants, the Village has 11 uniform police officers and 7 dispatchers for a staff of 22 full-time public safety employees, as well as 10 part-time reserve officers and 1 part-time crossing guard. The fire department has 7 full-time employees.

Transportation

The Village is located on State Highway 43 which runs east-west past the south end of the Village and State Highway 83 which runs north-south through the Village. Commercial air service is available at Milwaukee Mitchell International Airport approximately 25 miles northeast of the Village.

Employee Relations and Collective Bargaining

The following collective bargaining units represent Village employees.

Union/Association	Term Expiration	No. of Members
Mukwonago Professional Police Association	December 31, 2023	11
Mukwonago Professional Firefighters Association	December 31, 2025	6

According to the Village, relations between the Village and the bargaining units are good.

The Village has a total of 150 employees, including full-time, part-time and paid on-call employees.

All eligible Village personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and collectively bargain with the 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 or 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.

Demographic Information

Population

The Wisconsin Department of Administration has estimated the population trends of the Village and Waukesha County (the "County") as shown in the table below. The Village's 2010 U.S. Census population is 7,355.

	Estimated 2020	Estimated 2019	Estimated 2018	Estimated 2017	Estimated 2016
Village of Mukwonago	8,126	8,137	8,057	7,878	7,772
Waukesha County	406,785	405,991	401,446	398,236	396,449

Source: Wisconsin Department of Administration

The median ages for the Village, County and State as of the 2010 U.S. Census are as follows:

	Median Age As Of The 2010 U.S. Census
Village of Mukwonago	37.9
Waukesha County	42.0
State of Wisconsin	38.5

Source: U.S. Census Bureau

Income

Adjusted Gross Income per tax return income data for the Village, County and State are presented in the following table:

Year	Village of Mukwonago	Waukesha County	State of Wisconsin
2019	$72,257	$92,569	$61,003
2018	67,983	90,062	59,423
2017	65,926	86,671	56,698
2016	65,916	85,796	55,267
2015	62,439	83,021	54,227

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Economic Information

The Village is largely a residential community (67.3% of the Village's 2020 equalized valuation).

Construction

Building activity in the Village is indicated by the value of building permits issued, as set forth in the following table:

Year	Value of Permits
2021 (1)	$ 8,167,245
2020	27,298,873
2019 (2)	141,039,568
2018	38,806,006
2017	62,928,971
2016	13,771,605

(1) Through March 25, 2021.
(2) Of the 2019 amount, $102,500,000 is for a tax-exempt hospital project.

Source: Village

Employment

The Workforce and Labor Market Information System has estimated the percentage of unemployment in the County, State and U.S. to be as follows:

	March 2021 (1) (2)	2020 Average(1)	2019 Average	2018 Average	2017 Average	2016 Average
Waukesha County	3.8%	5.6%	2.9%	2.7%	2.9%	3.4%
State of Wisconsin	4.8	6.3 (2)	3.3	3.0	3.3	3.9
U.S.	6.2	8.1 (2)	3.7 (2)	3.9 (2)	4.4	4.9

(1) Figures reflect employment impact as a result of COVID-19 (see "GLOBAL HEALTH EMERGENCY RISK" herein).
(2) Preliminary.

Source: Wisconsin Department of Workforce Development.

Average Annual Employment

The table below presents average annual employment by selected categories within the County for the last five years.

	2019	2018	2017	2016	2015
ALL INDUSTRIES	**233,567**	**246,050**	**243,987**	**242,000**	**233,770**
Construction	18,570	17,672	17,140	16,170	14,985
Education & Health	38,346	42,004	41,403	40,966	40,321
Financial Activities	15,935	15,768	16,376	16,658	15,840
Information	3,590	4,054	4,708	4,770	*
Leisure & Hospitality	19,692	21,968	21,297	21,280	20,792
Manufacturing	40,896	44,015	42,659	42,062	42,678
Natural Resources	590	549	548	530	533
Other Services	7,566	8,592	8,366	8,242	8,180
Professional & Business Services	33,800	35,786	36,272	36,069	36,014
Public Administration	6,663	6,142	6,262	6,225	6,171
Trade, Transportation, Utilities	47,919	49,500	48,956	49,028	48,256
Unclassified	0	0	0	0	*

* Suppressed.

Source: Wisconsin Department of Workforce Development

Major Employers

The following table lists the largest commercial, industrial and institutional establishments in the Village by employment:

Employer	Product/Business	Approximate Employment
Mukwonago Area School District	Education	572*
AptarGroup, Inc.	Injection molding company	485
Empire Level Manufacturing Corp.	Hand and edge tools	285
ProHealth Care	Health care	230
GS Global Resources, Inc.	Industrial machinery and equipment	175
C.I. Banker Wire & Iron Works	Woven and welded wire mesh	155
The Village	Government	150**
Wal-Mart Super Center	Retail store	150
Badger Color Concentrates Inc.	Manufacture liquid and color concentrates for plastics industry	120
Triple Crown Products	Screen printing	120

* Full-time equivalent employees
** Includes full-time, part-time and paid on call employees.

Source: D&B Credit, IndustrySelect by MNI, Inc., Wisconsin Department of Public Instruction, and independent employer inquiries, March, 2021. Numbers may not reflect any impact from COVID-19. See "MISCELLANEOUS - Impact of the Spread of COVID-19." herein.

Tax Levies and Collections

Wisconsin cities, villages and towns are charged with the responsibility of assessing taxable property and collecting taxes, and making distribution to counties, districts and other public bodies. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1.

All taxes on personal property must be paid in full at the first specified collection date; taxes on real estate may be paid in full by the first specified collection date or in three installments during the collection year. All installments are paid to the Village Treasurer. State law requires the County to remit 100% of the tax levy due to its underlying governmental units and keep for its own use all delinquent taxes subsequently collected and money derived from tax sales, unless the municipality elects to collect its own delinquent taxes. The County settles in full with its underlying governmental units on or before August 20.

Village tax levies for the past five calendar years are as follows:

Year of Levy/Collection	Village Tax Levies (Excluding TID)	Annual Village Levy Rate Per $1,000 of Equalized Value (TID Out)
2020/21	$6,411,112	$7.13
2019/20	6,148,868	7.17
2018/19	5,879,591	7.09
2017/18	5,778,704	7.47
2016/17	5,677,581	7.62

The Village experiences no real estate tax delinquencies since the County is required to settle in full with underlying taxing jurisdictions on or before August 20 of each 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 "MISCELLANEOUS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The counties the Village is located in and the Village did not adopt such resolutions. The Village cannot predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, such as the Securities.

Source: Village

Tax Rates Per $1,000 of Assessed Valuation

Tax rates for the Village (in Mukwonago Area School District within the County) for the past five collection years are as follows:

	2017	2018	2019	2020	2021
Village	$8.16	$8.05	$7.08	$7.24	$7.51
School District	9.44	9.18	7.93	7.89	8.42
Technical College District	0.39	0.41	0.36	0.37	0.37
County	2.14	2.15	1.88	1.86	1.86
State (1)	0.18	0.00	0.00	0.00	0.00
Gross Tax Rate	$20.31	$19.79	$17.25	$17.36	$18.16
(Less: State Credit)	(1.48)	(1.62)	(1.41)	(1.39)	(1.35)
Tax Rate Per $1,000 Assessed Valuation	$18.83	$18.17	$15.84	$15.97	$16.81
Ratio of Assessed to Equalized Valuation	93.58%	91.24%	100.05%	98.76%	95.02%
Tax Rate Per $1,000 Equalized Valuation	$17.62	$16.58	$15.85	$15.77	$15.97

(1) State property taxes were eliminated in the State's 2017-19 budget act.

Source: Village

Equalized Valuation

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

The Village's trend in equalized value over the past five years is outlined in the table below.

	Equalized Value TID In	% Change	Equalized Value TID Out	% Change
2020	$ 992,994,900	7.22%	$ 898,892,300 [1]	4.79%
2019	926,137,500	5.55	857,797,500	3.41
2018	877,402,300	4.54	829,478,900	4.60
2017	839,258,300	4.62	793,031,900	6.33
2016	802,163,300	7.71	745,834,500	5.66

Due to varying assessment ratios to full market value used in municipalities, all overlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax.

(1) The Village's 2020 Equalized Value (TID Out), as published by the Wisconsin Department of Revenue, may not properly reflect the aggregate amount of increment value in the Village's TIDs (see "Tax Increment Districts" below). The Village has submitted a change to the TID No. 5 valuation report to the Wisconsin Department of Revenue after the valuation reports were published.

Source: State of Wisconsin, Department of Revenue

The equalized valuation (TID In) by class of property for 2020 is as follows:

Real Estate	
Residential	$ 668,210,300
Commercial	244,337,600
Manufacturing	55,215,900
Agricultural	353,400
Other [1]	3,194,400
Total Real Estate	$ 971,311,600
Total Personal Property	21,683,300
Total	$ 992,994,900

(1) Includes Undeveloped, Ag Forest, Forest and Other.

Source: State of Wisconsin, Department of Revenue

The percentage mix of equalized valuation (TID In) by class of property for the past five years was as follows:

Real Estate	2020	2019	2018	2017	2016
Residential	67.29%	67.83%	71.72%	68.70%	68.57%
Commercial	24.61	24.24	21.60	23.75	24.81
Manufacturing	5.56	5.79	4.69	4.89	4.11
Agricultural	0.04	0.04	0.04	0.04	0.04
Other	0.32	0.35	0.37	0.38	0.40
Personal Property	2.18	1.75	1.58	2.24	2.07
	100.00%	100.00%	100.00%	100.00%	100.00%
Total Equalized Value (millions)	$993	$926	$877	$839	$802

Source: State of Wisconsin, Department of Revenue

Tax Increment Districts

As of January 1, 2020, there were three tax incremental districts ("TIDs") located in the Village. Following is information on the TIDs.

Name	Creation Date	Base Value	Increment	Current Value
TID No. 3 (1)	2003	$ 2,389,500	$ 53,159,900	$ 55,549,400
TID No. 4	2017	6,368,000	4,776,800	11,144,800
TID No. 5	2018	315,200	33,749,700	34,064,900

(1) The Village is using Tax Incremental District No. 3 ("TID #3") revenues to pay the debt service on the General Obligation Refunding Bonds, dated November 1, 2012, a portion of General Obligation Promissory Notes, Series 2015, dated April 1, 2015, and a portion of the General Obligation Promissory Notes, Series 2020B, dated June 17, 2020, when due. The actual amount of these offsetting revenues is not guaranteed. Under State law, the Village is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

Source: State of Wisconsin, Department of Revenue

Largest Taxpayers for Fiscal Year 2020

The table below shows the Village's largest taxpayers for 2020.

Name	Type of Property	2020 Equalized Valuation	Net Taxes to be Paid in 2021	Percent of Village's 2020 Total Equalized Value
River Park LLC	Apartments	$ 15,019,600	$ 252,171	1.51%
Wal-Mart	Retail	14,941,700	251,088	1.50
Greenwald Family Partnership	Various	14,472,000	242,348	1.46
Super Products	Manufacturing	12,651,000	278,697	1.27
CI Banker Wire & Iron Works	Manufacturing	11,372,500	250,527	1.15
Aptar Mukwonago	Manufacturing	8,944,300	150,282	0.90
Waukesha Memorial Hospital (ProHealth)	Medical	8,584,800	144,183	0.86
TW Phantom Woods LLC	Apartments	7,788,500	130,855	0.78
Home Depot	Retail	7,477,400	125,626	0.75
Gearbox	Manufacturing	7,358,400	123,626	0.74
		$108,610,200	$1,949,403	10.94%

Source: Village.

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VILLAGE DEBT STRUCTURE

Outstanding General Obligation Debt Summary (as of May 19, 2021)

General Obligation Debt by Issue

Type of Obligation	Date of Issue	Original Amount Issued	Final Maturity Date	Current Amount Outstanding
G.O. Refunding Bonds (TID #3)	11-01-12	$ 3,620,000	10-01-26	$ 1,700,000
G.O. Refunding Bonds (the "2013 Bonds")	11-20-13	3,000,000	12-01-22	800,000 (1)
G.O. Bond	11-30-14	27,468	2-15-22	3,430
G.O. Promissory Notes, Series 2015	4-01-15	6,785,000	4-01-25	4,010,000
G.O. Promissory Notes, Series 2016A	7-06-16	3,100,000	10-01-25	1,800,000
G.O. Promissory Notes, Series 2017A	11-01-17	1,400,000	10-01-26	1,200,000
G.O. Promissory Notes, Series 2018B	6-01-18	2,145,000	10-01-26	1,800,000
G.O. Refunding Bonds, Series 2018E	9-05-18	5,375,000	12-01-26	3,875,000
Taxable G.O. Refunding Bonds, Series 2019A	2-20-19	2,375,000	3-01-26	1,675,000
G.O. Promissory Notes, Series 2019B	2-20-19	4,225,000	3-01-28	3,925,000
Taxable G.O. Promissory Notes, Series 2020A	6-17-20	1,240,000	6-01-30	1,240,000
G.O. Promissory Notes, Series 2020B	6-17-20	4,590,000	6-01-30	4,590,000
G.O. Refunding Bonds, Series 2021A	5-19-21	7,700,000	6-01-38	7,700,000 (2)
G.O. Promissory Notes, Series 2021B	5-19-21	5,000,000	4-01-31	5,000,000 (2)
		Outstanding Debt		$ 39,318,430
		Less: 2021 Remaining Payments		1,825,000
		Net Outstanding Debt		$ 37,493,430

(1) At its April 21, 2021 meeting, the Board approved calling the December 1, 2021 and 2022 maturities of the 2013 Bonds totaling $800,000. The 2013 Bonds are expected to be called on June 1, 2021 and paid with Village cash on hand.

(2) New issue. Preliminary, subject to change.

Note Anticipation Note Debt by Issue

Type of Obligation	Date of Issue	Original Amount Issued	Final Maturity Date	Current Amount Outstanding
Taxable Note Anticipation Notes, Series 2018A	3-20-18	$ 4,225,000	12-01-22	$ 4,225,000

Debt Service Schedules – General Obligation Debt

	$3,620,000 G.O. Refunding Bonds (TID #3) (1) 11/01/12		$3,000,000 G.O. Refunding Bonds 11/20/13		$27,468 G.O. Bond, Village Portion of County (3) Trunked Radio Debt - 11/30/14	
	Principal (10/01)	Interest	Principal (12/01)	Interest	Principal (2/15)	Interest
2021	$ 275,000	$ 19,344	$400,000 (2)	$10,250		(3)
2022	275,000	33,188	400,000 (2)	10,500	$ 3,430	(3)
2023	275,000	27,344				
2024	275,000	21,156				
2025	300,000	14,625				
2026	300,000	7,500				
	$1,700,000	$123,157	$800,000	$ 20,750	$3,430	
Less Remaining 2021 Payments	275,000	19,344	400,000	10,250	3,430	
	$1,425,000	$103,813	$ 400,000	$ 10,500	$ 0	

(1) The Village plans to pay all of the debt service from TID #3 revenues collected.

(2) Maturities to be called on June 1, 2021 and paid with Village cash on hand.

(3) Interest free loan.

	$6,785,000 G.O. Promissory Notes, Series 2015 4/01/15		**$3,100,000 G.O. Promissory Notes, Series 2016A - 7/06/16**		**$1,400,000 G.O. Promissory Notes, Series 2017A - 11/01/17**	
	Principal (4/01)	Interest	Principal (10/01)	Interest	Principal (10/01)	Interest
2021		$ 53,775	$ 100,000	$ 18,000	$ 100,000	$ 15,250
2022	$ 775,000	99,800	250,000	34,000	100,000	28,500
2023	1,000,000	79,550	450,000	29,000	200,000	26,500
2024	1,060,000	51,150	500,000	20,000	200,000	22,500
2025	1,175,000	17,625	500,000	10,000	200,000 (1)	18,000
2026					400,000 (1)	12,000
	$4,010,000	$301,900	$1,800,000	$111,000	$1,200,000	$122,750
Less Remaining 2021 Payments	0	53,775	100,000	18,000	100,000	15,250
	$4,010,000	$248,125	$1,700,000	$ 93,000	$1,100,000	$107,500

	$2,145,000 G.O. Promissory Notes, Series 2018B - 6/01/18		**$5,375,000 G.O. Refunding Bonds, Series 2018E - 9/05/18**		**$2,375,000 Taxable G.O. Refunding Bonds, Series 2019A - 2/20/19**	
	Principal (10/01)	Interest	Principal (12/01)	Interest	Principal (3/01)	Interest
2021	$ 200,000	$ 28,750	$ 750,000	$ 109,500		$ 33,500
2022	200,000	51,500	675,000	90,750	$ 350,000	60,000
2023	200,000	45,500	675,000	73,875	350,000	46,000
2024	200,000	39,000	675,000	53,625	350,000	32,000
2025	200,000	32,500	700,000	36,750	350,000	18,000
2026	800,000	26,000	400,000	14,000	275,000	5,500
	$1,800,000	$223,250	$3,875,000	$378,500	$1,675,000	$195,000
Less Remaining 2021 Payments	200,000	28,750	750,000	109,500	0	33,500
	$1,600,000	$194,500	$3,125,000	$269,000	$1,675,000	$161,500

	$4,225,000 G.O. Promissory Notes, Series 2019B - 2/20/19		**$1,240,000 Taxable G.O. Promissory Notes, Series 2020A - 6/17/20**		**$4,590,000 G.O. Promissory Notes, Series 2020B - 6/17/20**	
	Principal (3/01)	Interest	Principal (6/01)	Interest	Principal (6/01)	Interest
2021		$ 58,094		$ 32,124		$175,103
2022	$ 150,000	114,687	$ 125,000	21,289		120,300
2023	150,000	111,688	125,000	19,632	$ 100,000	119,800
2024	250,000	107,375	125,000	17,820	115,000	118,150
2025	250,000	101,594	125,000	15,851	200,000	115,000
2026	550,000	91,750	140,000	13,560	600,000	104,000
2027	1,050,000	69,125	150,000	10,875	1,175,000	77,375
2028	1,525,000	26,687	150,000	7,950	1,175,000	42,125
2029			150,000	4,875	600,000	18,500
2030			150,000	1,650	625,000	6,250
	$3,925,000	$681,000	$1,240,000	$145,626	$4,590,000	$896,603
Less Remaining 2021 Payments	0	58,094	0	32,124	0	175,103
	$3,925,000	$622,906	$1,240,000	$113,502	$4,590,000	$721,500

(1) Term bond maturing on 10/01/26 with annual mandatory redemptions.

	$7,700,000 G.O. Refunding Bonds, [1] Series 2021A - 5/19/21		$5,000,000 G.O. Promissory Notes, [1] Series 2021B - 5/19/21	
	Principal (6/01)	Estimated Interest	Principal (4/01)	Estimated Interest
2021		$ 86,293		
2022	$ 385,000	157,950	$ 300,000	$133,667
2023	390,000	150,200	400,000	90,000
2024	400,000	142,300	100,000	85,000
2025	410,000	134,200	100,000	83,000
2026	415,000	125,950	100,000	81,000
2027	425,000	117,550	300,000	77,000
2028	435,000	108,950	700,000	67,000
2029	440,000	100,200	500,000	55,000
2030	450,000	91,300	1,250,000	37,500
2031	460,000	82,200	1,250,000	12,500
2032	470,000	72,900		
2033	480,000	63,400		
2034	485,000	53,750		
2035	495,000	43,950		
2036	505,000	32,688		
2037	520,000	19,875		
2038	535,000	6,687		
	$7,700,000	$1,590,343	$5,000,000	$721,667
Less Remaining 2021 Payments	0	86,293	0	0
	$7,000,000	$1,504,050	$5,000,000	$721,667

[1] New issue. Preliminary, subject to change.

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Total General Obligation Debt (1)

Year	Principal	Interest	Total	Less: TID Revenues for Debt Service (2)	Net Debt Service
2021	$ 1,825,000	$ 639,983	$ 2,464,983	$ 583,732	$ 1,881,251
2022	3,988,430	956,131	4,944,561	1,121,431	3,823,130
2023	4,315,000	819,089	5,134,089	1,215,971	3,918,118
2024	4,250,000	710,076	4,960,076	1,260,840	3,699,236
2025	4,510,000	597,145	5,107,145	1,312,417	3,794,728
2026	3,980,000	481,260	4,461,260	590,022	3,871,238
2027	3,100,000	351,925	3,451,925	492,680	2,959,245
2028	3,985,000	252,712	4,237,712	683,110	3,554,602
2029	1,690,000	178,575	1,868,575		1,868,575
2030	2,475,000	136,700	2,611,700		2,611,700
2031	1,710,000	94,700	1,804,700		1,804,700
2032	470,000	72,900	542,900		542,900
2033	480,000	63,400	543,400		543,400
2034	485,000	53,750	538,750		538,750
2035	495,000	43,950	538,950		538,950
2036	505,000	32,688	537,688		537,688
2037	520,000	19,875	539,875		539,875
2038	535,000	6,687	541,687		541,687
	$39,318,430	$5,511,546	$44,829,976	$7,260,203	$37,569,773
Less: Remaining 2021 Payments	1,825,000	639,983	2,464,983	583,732	1,881,251
TOTAL	$37,493,430	$4,871,563	$42,364,993	$6,676,471	$35,688,522

(1) Includes the Securities. Preliminary, subject to change.

(2) The actual amount of these offsetting revenues is not guaranteed. Under State law, the Village is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

Debt Service Schedule - Taxable Note Anticipation Notes

$4,225,000 Taxable Note Anticipation Notes, Series 2018A - 3/20/18

	Principal (12/01)	Interest
2021		$163,719
2022	$4,225,000	163,719
	$4,225,000	$327,438
Less: Remaining 2021 Payments	0	163,719
	$4,225,000	$163,719

Outstanding Waterworks System and Sewerage System Revenue Debt Summary (as of May 19, 2021)

Waterworks System and Sewerage System Revenue Bond Debt

Type of Obligation	Date of Issue	Original Amount Issued	Maturity Dates	Current Amount Outstanding
Waterworks System and Sewerage System Revenue Bonds, Series 2002C [(1)]	11-27-02	$ 627,355	5-01-22	$ 29,836
Waterworks System and Sewerage System Revenue Bonds	1-01-08	3,200,000	12-01-26	1,900,000
Waterworks System and Sewerage System Refunding Revenue Bonds	12-01-10	2,920,000	12-01-24	900,000
Waterworks System and Sewerage System Revenue Bonds, Series 2016B	07-06-16	5,445,000	12-01-29	4,540,000
Waterworks System and Sewerage System Revenue Bonds, Series 2018C	06-01-18	3,650,000	12-01-33	3,450,000
	Outstanding Revenue Bond Debt			$10,819,836

(1) Safe Water Drinking Fund Loan issued at a rate of 2.75%.

Waterworks System and Sewerage System Revenue Bond Anticipation Note Debt

Type of Obligation	Date of Issue	Original Amount Issued	Maturity Dates	Current Amount Outstanding
Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C	12-21-16	$ 2,280,000	12-01-21	$ 1,650,000
Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2018D	6-01-18	7,700,000	6-01-21	7,700,000 [(1)]
	Outstanding Revenue Bond Anticipation Note Debt			$ 9,530,000
	Less: Refunded 2018 Notes			7,700,000
	Net Outstanding Revenue Bond Anticipation Note Debt			$ 1,650,000

(1) Proceeds of the Bonds will be used to pay the 2018 Notes at maturity on June 1, 2021. The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Debt Service Schedules – Revenue Bond Debt

	$627,355 Waterworks System and Sewerage System Revenue Bonds, Series 2002C – 11/27/02		$3,200,000 Waterworks System and Sewerage System Revenue Bonds – 1/01/08	
Year	Principal (5/01)	Interest	Principal (12/01)	Interest
2021		$ 410	$ 100,000 [(1)]	$ 84,600
2022	$ 29,836	410	125,000 [(1)]	80,600
2023			225,000	75,600
2024			400,000	66,375
2025			500,000	49,875
2026			550,000	26,125
TOTAL	$ 29,836	$ 820	$ 1,900,000	$ 383,175

(1) Term Bonds maturing on December 1, 2022 with annual mandatory redemptions.

Debt Service Schedules – Revenue Bond Debt continued

	$2,920,000 Waterworks System and Sewerage System Refunding Revenue Bonds – 12/01/10		$5,445,000 Waterworks System and Sewerage System Revenue Bonds, Series 2016B – 7/06/16	
Year	Principal (12/01)	Interest	Principal (12/01)	Interest
2021	$ 275,000	$ 39,750	$ 315,000	$ 124,450
2022	225,000	28,063	330,000	118,150
2023	200,000 [(1)]	18,500	320,000	111,550
2024	200,000 [(1)]	9,250	210,000	105,150
2025			315,000	100,950
2026			325,000	91,500
2027			900,000	81,750
2028			925,000	54,750
2029			900,000	27,000
TOTAL	$ 900,000	$ 95,563	$ 4,540,000	$ 815,250

[(1)] Term Bond maturing on December 1, 2024 with annual mandatory redemptions.

	$3,650,000 Waterworks System and Sewerage System Revenue Bonds, Series 2018C - 6/01/18	
Year	Principal (12/01)	Interest
2021	$ 100,000	$ 130,250
2022	100,000	126,250
2023	100,000	122,250
2024	100,000	118,250
2025	100,000	114,250
2026	100,000	110,250
2027	100,000	106,250
2028	100,000	102,250
2029	100,000	98,250
2030	675,000	95,250
2031	675,000	75,000
2032	600,000	48,000
2033	600,000	24,000
TOTAL	$3,450,000	$1,270,500

Total Revenue Bond Debt

Year	Principal	Interest	Total	Coverage Ratio[(1)]
2021	$ 790,000	$ 379,460	$ 1,169,460	1.63
2022	809,836	353,473	1,163,309	1.68
2023	845,000	327,900	1,172,900	1.66
2024	910,000	299,025	1,209,025	1.61
2025	915,000	265,075	1,180,075	1.65
2026	975,000	227,875	1,202,875	1.62
2027	1,000,000	188,000	1,188,000	1.64
2028	1,025,000	157,000	1,182,000	1.65
2029	1,000,000	125,250	1,125,250	1.73
2030	675,000	95,250	770,250	2.53
2031	675,000	75,000	750,000	2.60
2032	600,000	48,000	648,000	3.01
2033	600,000	24,000	624,000	3.13
Outstanding Debt	$10,819,836	$2,565,308	$13,385,144	

[(1)] Coverage ratios based on 2020 unaudited net revenues of $1,951,603. The coverage shown for 2021 reflects a total debt service amount of $1,199,308, before deduction of any 2021 payments.

Debt Service Schedules – Revenue Bond Anticipation Note Debt

	$2,280,000 Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C – 12/21/16		$7,700,000 Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2018D – 6/01/18	
Year	Principal (12/01)	Interest	Principal (6/01)	Interest
2021	$1,650,000	$61,875	$ [1]	$129,937 [2]
	$1,650,000	$61,875	$ 0	$129,937

[1] Proceeds of the Bonds will be used to pay the 2018 Notes at maturity on June 1, 2021.
[2] The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Debt Ratios

Outstanding general obligation direct debt as a percentage of equalized value and on a per capita basis for the current year (through May 19) as well as the past five years ended December 31 follows:

Ratios of General Obligation Debt to
Equalized Valuation and Population

Year	Outstanding General Obligation Debt	Equalized Valuation	Percent of Equalized Value	Population [1]	Per Capita
2021	$ 37,493,430[2]	$ 992,994,900	3.78%	8,126	$ 4,614
2020	27,671,864[3]	992,994,900	2.79	8,126	3,405
2019	26,545,298	926,137,500	2.87	8,137	3,262
2018	24,842,923	877,402,300	2.83	8,057	3,083
2017	25,465,869	839,258,300	3.03	7,878	3,233
2016	27,540,612	802,163,300	3.43	7,772	3,544

[1] Estimated by the Wisconsin Department of Administration.
[2] Unaudited (Includes the Securities, net of 2021 Payments).
[3] Unaudited.

Indirect Debt

The indirect general obligation debt of the Village as of April 1, 2021 is listed below.

Governmental Unit	Outstanding Debt As of April 1, 2021 Less: 2021 Sinking Funds	Percent of Debt Applicable to Village	Amount of Debt Within Village
Walworth County	$ 0	0.36%	$ 0
Waukesha County [1]	71,773,000	1.49	1,069,418
Mukwonago School District	39,920,000	23.38	9,333,296
East Troy Community School District	19,260,000	1.39	267,714
Gateway Technical College	66,450,000	0.12	79,740
Waukesha County Technical College	18,090,000	1.46	264,114
Total Indirect Debt			$11,014,282

(1) The County expects to issue $12,000,000 General Obligation Promissory Notes, 2021A on May 18, 2021. Such amount is not included in the table above.

Source: Information obtained from publicly available documents on EMMA (defined herein).

Total Indirect GO Debt	$ 11,014,282
Indirect GO Debt Per Capita	$ 1,355.44
Indirect Debt as a % of Equalized Value	1.11%
Total Direct GO Debt	$ 37,493,430
Total Direct GO Debt Per Capita	$ 4,614.01
Total Direct GO Debt as a % of Equalized Value	3.78%
Total Direct and Indirect GO Debt	$ 48,507,712
Total Direct and Indirect GO Debt Per Capita	$ 5,969.45
Total Direct and Indirect GO Debt as a % of Equalized Value	4.88%

Short Term Debt

The Village has no outstanding short-term debt.

Legal Debt Limit

The Village has the power to incur indebtedness for Village purposes specified by statute (Article 11 Section 3 of the Wisconsin Constitution and Chapter 67, Wisconsin Statutes) in an aggregate amount, not exceeding five percent of the equalized value of taxable property in the Village, as last determined by the State of Wisconsin Department of Revenue. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes.

The Village's unused borrowing capacity is as follows:

Equalized Value of Taxable Property in the Village for 2020	$ 992,994,900
G.O. Debt Outstanding as of May 19, 2021	$ 39,318,430
Legal Debt Capacity (5% of Equalized Value)	$ 49,649,745
Unused Margin of Indebtedness	$ 10,331,315
Percent of Unused Margin of Indebtedness (1)	20.81%

(1) The Village has outstanding $4,225,000 Taxable Note Anticipation Notes, Series 2018A, dated March 20, 2018 (the "2018A Notes") and anticipates issuing general obligation bonds or promissory notes prior to December 1, 2022 to pay the 2018A Notes when due. The Village has covenanted that it will maintain a debt limit capacity such that the outstanding principal balance of the 2018A Notes and all Village general obligation debt shall at no time exceed the constitutional debt limit of the Village. The total of the 2018A Notes and all Village general obligation debt is within the Village's legal debt limit as represented in the following schedule.

General Obligation Debt Outstanding	$ 39,318,430
Note Anticipation Note Debt Outstanding	4,225,000
	$ 43,543,430
Legal Debt Capacity	$ 49,649,745
Unused Borrowing Capacity	12.30%

No Default on Village Indebtedness

The Village has no record of default on any of its prior or outstanding indebtedness.

Future Financings

The Village plans to issue a waterworks system and sewerage system revenue bond prior to December 1, 2021 to pay the $1,650,000 Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C, dated December 21, 2016 which are due to mature on December 1, 2021 and to fund an additional $400,000 in new sewerage system projects. As described above, the Village anticipates issuing general obligation bonds or promissory notes prior to December 1, 2022 to pay the 2018A Notes when due. Other than the preceding, the Village does not anticipate issuing any additional obligations in the next 12 months.

Annual Budgets

The Village Board prepares an annual operating budget corresponding to the calendar year. Once adopted, amendments to the budget require a two-thirds majority vote of the entire Village Board. A summary table of the 2020 and 2021 Annual General Fund Budgets follows.

Adopted Budget (General Fund)
Village of Mukwonago
2020 and 2021

	2020 Adopted Budget	2021 Adopted Budget	Percent to 2021 Total
REVENUES			
Taxes	$3,063,895	$3,306,884	64.90%
Intergovernmental Revenues	1,070,678	1,029,668	20.21
Licenses and Permits	337,597	359,410	7.05
Fines and Forfeitures	165,000	165,000	3.24
Public Charges for Services & Public Safety	38,817	34,050	0.67
Leisure Activities	98,000	85,000	1.67
Other Revenues & Financing Sources	108,500	115,211	2.26
TOTAL REVENUES	$4,882,487	$5,095,223	100.00%
EXPENDITURES			
General Government	$ 890,375	$ 928,067	18.21%
Public Safety	2,649,691	2,754,089	54.05
Public Works	917,155	992,755	19.48
Health & Human Services	2,750	2,470	0.05
Culture, Recreation and Education	188,991	194,911	3.83
Conservation & Development	221,525	187,431	3.68
Transfers Out	0	25,000	0.49
Storm Sewer	12,000	10,500	0.21
TOTAL EXPENDITURES	$4,882,487	$5,095,223	100.00%

Source: the Village

Summary of Operations

Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Years Ended December 31

	Unaudited 2020	2019	2018	2017
REVENUES:				
Taxes	$2,723,924	$2,622,943	$2,578,027	$2,511,046
Intergovernmental	953,677	834,756	892,813	858,369
Licenses and Permits	488,176	637,685	515,695	493,701
Fines, Forfeitures and Penalties	155,966	179,023	201,146	207,524
Public Charges for Services	35,746	36,309	39,479	42,026
Intergovernmental Charges for Services	178,005	197,904	172,165	131,252
Investment Income	50,246	122,302	73,924	29,422
Other Revenues	181,792	154,021	162,986	162,699
Total Revenues	$4,767,532	$4,784,943	$4,636,235	$4,436,039
EXPENDITURES:				
General Government	$ 967,668	$ 771,287	$ 804,714	$ 692,131
Public Safety	2,566,134	2,475,218	2,493,210	2,425,567
Public Works	933,157	842,931	791,778	795,099
Health and Human Services	2,420	2,746	2,680	2,731
Culture, Recreation and Education	191,125	171,459	159,762	155,759
Conservation and Development	267,279	211,051	163,557	186,759
Capital Outlay	57,658	49,456	30,665	35,850
Total Expenditures	$4,985,441	$4,524,148	$4,446,366	$4,293,893
Excess of Revenues Over (Under) Expenditures	(217,909)	260,795	189,869	142,146
Net Other Financing Sources (Uses)	499,736	(67,821)	(44,864)	116,302
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 281,827	$ 192,974	$ 145,005	$ 258,448
FUND BALANCE – BEGINNING OF YEAR	$2,711,167	$2,518,193	$2,373,188	$2,114,740
FUND BALANCE – END OF YEAR	$2,992,994	$2,711,167	$2,518,193	$2,373,188
Nonspendable	$ 47,606	$ 114,495	$ 83,752	$ 165,418
Assigned	1,098,958	970,474	802,339	822,287
Unassigned	1,846,430	1,626,198	1,632,102	1,385,483

Source: the Village's audited financial statements; unaudited 2020 information from the Village

Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Years Ended December 31

	Unaudited 2020	2019	2018	2017
REVENUES:				
Taxes	$ 7,396,927	$ 6,727,764	$ 6,610,628	$ 6,737,733
Special Assessments	157,683	130,916	18,298	217,516
Intergovernmental	1,769,560	1,414,459	1,614,697	1,442,527
Licenses and Permits	706,815	1,749,471	688,725	623,889
Fines, Forfeitures and Penalties	155,966	179,023	201,146	207,524
Public Charges for Services	1,360,123	1,202,139	1,233,019	1,342,050
Intergovernmental Charges for Services	587,149	533,325	386,365	341,252
Investment Income	137,388	389,351	330,461	129,360
Other Revenues	323,153	524,467	363,426	328,014
Total Revenues	$12,594,764	$12,851,005	$11,446,765	$11,369,865
EXPENDITURES:				
General Government	$1,040,438	$ 910,055	$ 942,006	$ 761,726
Public Safety	4,047,645	3,847,297	3,828,228	3,815,675
Public Works	1,507,971	1,419,631	1,289,427	1,309,408
Health and Human Services	2,420	2,746	2,680	2,731
Culture, Recreation and Education	1,164,548	1,154,370	1,191,654	1,123,125
Conservation and Development	1,425,379	217,842	1,243,053	202,051
Capital Outlay	3,341,756	3,968,600	12,358,340	3,271,308
Debt Service	6,086,263	6,128,617	9,343,025	4,148,370
Total Expenditures	$18,616,420	$17,649,158	$30,198,413	$14,634,394
Excess of Revenues Over (Under) Expenditures	(6,021,656)	(4,798,153)	(18,751,648)	(3,264,529)
Net Other Financing Sources (Uses)	6,743,330	7,819,266	20,114,928	1,967,807
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 721,674	$ 3,021,113	$ 1,363,280	$ (1,296,722)
Net Change in Fund Balances	$ 721,674	$3,021,113	$ 1,363,280	$ (1,296,722)
FUND BALANCE – BEGINNING OF YEAR	$12,129,672	$9,108,559	$ 7,745,279	$ 9,042,001
FUND BALANCE – END OF YEAR	$12,851,346	$12,129,672	$ 9,108,559	$ 7,745,279

Source: the Village's audited financial statements; unaudited 2020 information from the Village

Financial Information

A copy of the Village's audited financial statements for the fiscal year ended December 31, 2019, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin (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, assessment, procedures or evaluation with respect to such financial statements since the date thereof or relating 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 Securities, the Village represents that there has 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.

Pension Plan

All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). 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 years ended December 31, 2017 ("Fiscal Year 2017"), December 31, 2018 ("Fiscal Year 2018") and December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled $347,820, $360,953 and $369,628, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 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 "MISCELLANEOUS - Impact of Global Health Emergency" 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 $1,048,117 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 0.02946065% of the aggregate WRS net pension asset as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the 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 IV.A. of the Village's financial statements included in Appendix A.

The Village also provides pension benefits for all of its eligible employees through a defined contribution plan known as the Village of Mukwonago Pension Trust through ICMA-RC who administers the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan upon becoming eligible for the WRS. This plan is to give eligible full-time non-represented employees an additional two and one-half percentage towards retirements, above what the Village contributes to WRS. In addition, Village employees have an option to contribute to this plan from each payroll period. For the year ended December 31, 2019 the total amount contributed was $96,570. Of this amount, $49,743 was contributed by the Village and $46,827 was contributed by the employees. Total contributions for the years ending December 31, 2018 and 2017 were $77,083 and $73,713, respectively. The Village's contribution for each year was equal to the required amount. For more information, see Note IV.E. of the Village's financial statements included in Appendix A.

Other Post-Employment Benefits

The Village does not offer any other post-employment benefits.

LEGAL MATTERS

Pending Litigation

There is no pending litigation or, to the knowledge of the Village, threatened litigation, which would restrain or enjoin the issuance, sale, execution or delivery of the Securities or in any way contest or affect the validity of the Securities or of any proceedings of the Village taken with respect to the issuance and sale of the Securities.

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 the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% 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 Securities were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Securities.

Legal Matters

Certain legal matters incident to the authorization and issuance of the Securities are subject to the approval of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, whose approving legal opinions will be available at the time of the delivery of the Securities. The proposed forms of such opinions are attached hereto as Appendix B.

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Securities. 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 Securities 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 Securities for any investor.

Tax Exemption

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

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

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

Prospective purchasers of the Securities should be aware that ownership of the Securities 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 Securities 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 Securities. 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 Securities may be enacted. Prospective purchasers of the Securities 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.

See Appendix B “Proposed Forms of Legal Opinions”.

Not Qualified Tax-Exempt Obligations

The Securities are NOT "qualified tax-exempt obligations" for purposes of Section 265 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.

Original Issue Discount

To the extent that the initial public offering price of certain of the Securities is less than the principal amount payable at maturity, such Securities ("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 Securities is more than the principal amount payable at maturity, such Securities ("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.

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

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 Securities would not occur.

MISCELLANEOUS

Ratings

A rating on the Securities has been requested from S&P Global Ratings, a division of S&P Global ("S&P").

Currently, S&P maintains its "AA" rating and stable outlook on the Village's previously issued long-term general obligation debt.

The rating reflects only the view of S&P, and an explanation of the significance of such rating may be obtained therefrom. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either upward or downward, or withdrawn entirely, by S&P if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Securities.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Securities, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "Continuing Disclosure" neither the Village nor the Underwriter undertake responsibility to bring to the attention of the owners of the Securities any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

Continuing Disclosure

Undertaking to Provide Continuing Disclosure. In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the Village shall covenant pursuant to the Resolutions adopted by the Village Board to enter into undertakings (the "Undertakings") for the benefit of holders including beneficial holders of the Securities to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notice of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertakings, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificates to be executed and delivered by the Village at the time the Securities are delivered. Such Certificates will be in substantially the forms attached hereto as Appendix C. A failure by the Village to comply with the Undertakings will not constitute an event of default on the Securities (although holders will have the right to obtain specific performance of the obligations under the Undertakings). Nevertheless, such a 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 Securities in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Securities and their market price.

In the previous five years the Village has not failed to comply in all material respects with any previous undertakings under the Rule.

The Village will be required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

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. On March 25, 2020, Wisconsin's "safer-at-home" order (the "Order") went into effect, which orders the closure of all non-essential business and operations until April 24, 2020 and was extended until May 26, 2020 (with certain exceptions as provided in the Order). In addition, the deadline for payment of State income taxes was extended to match the federal deadline of July 15, 2020.

On April 16, 2020, former President Trump outlined a "Guidelines for Opening America Again" plan that included a phased approach to re-opening economic activity and easing social distancing guidelines. On April 20, 2020, Governor Evers released his "Badger Bounce Back" plan that included a similar phased approach based on the federal 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 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. In addition, the ruling did not change the mandated closure of school buildings through June 30, 2020. On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without an occupancy limit), with certain exceptions. Emergency Order #3 expired November 6, 2020.

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 April 29, 2020, Governor Evers' administration announced plans to cut many state operations by 5%. On July 22, 2020, Governor Evers announced that he directed the Wisconsin Department of Administration to identify $250 million in cost savings for fiscal year 2020-21. While the Wisconsin Legislative Fiscal Bureau ("LFB") had released memoranda in May, June and July that showed tax collections for the State were below collections during the same periods in 2019, an August 31, 2020 memorandum by the LFB reported that preliminary general fund tax collections for the State's 2019-20 fiscal year were 1.1% higher than collections during the State's 2018-19 fiscal year. In late September 2020, it was reported that Governor Evers' administration directed State agencies to cut an aggregate of $301 million from their current budgets.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute $190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of $5,000. The Village's allocation is $132,288. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional $130.2 billion, including $45.6 billion for cities, through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue, and economic hardship related to the COVID-19 pandemic. The State's allocation and the subsequent allocations to individual municipalities are not yet available.

Underwriting

Pursuant to a bond purchase agreement with the Village, Huntington Securities, Inc. dba Huntington Capital Markets (the "Underwriter") has agreed to purchase all of the Bonds, if any of the Bonds are purchased, upon the satisfaction of certain conditions set forth in the bond purchase agreement. The Underwriter has agreed to purchase the Bonds from the Village at a price of $____________. The Underwriter intends to reoffer the Bonds to the public at the initial public offering prices or yields as shown on the inside cover of this Official Statement to produce a reoffering price of $_________________. The Underwriter's compensation for this issue is the difference between the purchase price and the reoffering price, less all expenses. The Bonds may be offered to certain dealers at prices lower than such public offering prices or yields and such public offering prices or yields may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public.

Pursuant to a note purchase agreement with the Village, the Underwriter has agreed to purchase all of the Notes if any of the Notes are purchased, upon the satisfaction of certain conditions set forth in the note purchase agreement. The Underwriter has agreed to purchase the Notes from the Village at a price of $____________. The Underwriter intends to reoffer the Notes to the public at the initial public offering prices or yields as shown on the inside cover of this Official Statement to produce a reoffering price of $_________________. The Underwriter's compensation for this issue is the difference between the purchase price and the reoffering price, less all expenses. The Notes may be offered to certain dealers at prices lower than such public offering prices or yields and such public offering prices or yields may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public.

CERTIFICATES CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Securities, the President and Clerk/Treasurer of the Village will deliver to the purchaser of the Securities certificates stating that, to the best of their knowledge, this Official Statement did not as of its date and as of the sale date and does not, as of the date of delivery of the Securities, contain an untrue statement of a material fact or omit to state a material fact required to be included therein for the purpose for which this Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made not misleading.

VILLAGE OF MUKWONAGO

By ______________________________

Clerk/Treasurer

APPENDIX A

AUDITED FINANCIAL STATEMENTS
OF
VILLAGE OF MUKWONAGO
FOR THE YEAR ENDED DECEMBER 31, 2019

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VILLAGE OF MUKWONAGO

Mukwonago, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF MUKWONAGO

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As of and for the Year Ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Mukwonago
Mukwonago, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Mukwonago's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Mukwonago'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.

Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

To the Village Board
Village of Mukwonago

Opinions

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

Emphasis of Matters

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

As discussed in Note I, Village of Mukwonago adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mukwonago's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
May 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of Mukwonago's management offers this overview and analysis of the Village's financial activities for the fiscal year ended December 31, 2019. Readers are encouraged to consider the information presented here in conjunction with the information provided in the audited Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

- The Governmental Activities reported an ending net position of $4,788,533 at the close of 2019, an increase of $2,304,372 in net position over the prior year.
- The Business-Type Activity reported $30,302,160 for 2019, an increase of $837,091 in net position over the prior year.
- The combined assets and deferred outflows of resources for the Governmental and Business-Type Activity of the Village of Mukwonago exceeded its liabilities and deferred inflows of resources at the close of 2019 by $35,090,693 and its net position increased by $3,141,463 for the same period.
- The Governmental Funds reported ending fund balances of $12,129,672 which is an increase of $3,021,113 from 2018.
- $1,575,596 (unassigned fund balance) of the Governmental Funds fund balances is available to spend at the Village Board's discretion. This is 13% of the total fund balances for Governmental Funds. Of the total unassigned amount, $1,626,198 is unassigned in the General Fund which is 32% of the General Fund's 2020 budgeted expenditures.
- In 2019, the Village issued $4,225,000 in General Obligation Notes to fund capital projects and capital equipment replacements for Public Works, the Village Hall and the Police Department and $2,375,000 in General Obligation Taxable Refunding Bonds to refinance a 2014 debt.
- Through scheduled debt payments and payoffs, the Village paid down $4,897,625 in General Obligation debt and $802,504 in Revenue Bonds and $150,000 in Bond Anticipation Notes (BANs) in 2019. The net effect of all 2019 debt activity including premium amortization is an overall debt increase of $726,812. The Village will pay down a total of $3,028,434 in General Obligation debt and $988,261 in Revenue Bonds and BANs in 2020.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

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

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Village maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Fire and Ambulance fund, Debt Service fund, Tax Incremental District No. 3 fund, Tax Incremental District No. 5 fund and Community Development fund which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non- major government funds is provided in the form of *combining statements* elsewhere in this report.

The Village adopts an annual appropriated budget for all governmental funds and proprietary funds as required by state statute. A budgetary comparison statement has been provided as required supplementary information for the general fund and fire and ambulance fund to demonstrate compliance with the adopted budget. In addition, in the supplementary information the Village has provided a detailed budgetary comparison for the general fund.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The Village maintains a Tax Collection fund which is a fiduciary fund. The accounting for fiduciary funds is much like that used for governmental funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-69 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

Supplementary information. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information along with detailed schedules of revenues and expenditures for the general fund. Combining statements and schedules can be found on pages 73-81 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position is a useful indicator of a government's financial position. The Village's combined total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,090,693 at the close of the most current fiscal year, as presented in the following table.

VILLAGE OF MUKWONAGO NET POSITION
As of December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Current and other assets	$ 21,694,190	$ 19,649,090	$ 5,445,213	$ 8,124,172
Capital assets	31,623,610	30,541,956	39,037,978	36,604,044
Total assets	53,317,800	50,191,046	44,483,191	44,728,216
Deferred outflows of resources	2,521,702	1,424,779	565,304	432,191
Current and other liabilities	1,378,819	1,838,697	517,271	572,003
Long-term liabilities	40,792,872	38,197,180	14,045,574	14,939,623
Total liabilities	42,171,691	40,035,877	14,562,845	15,511,626
Deferred inflows of resources	8,879,278	9,095,787	183,490	183,712
Net position				
Net investment in capital assets	4,190,285	2,263,796	26,627,178	23,236,532
Restricted	3,865,675	1,647,127	1,170,559	1,752,981
Unrestricted (deficit)	(3,267,427)	(1,426,762)	2,504,423	4,475,556
Total net position	$ 4,788,533	$ 2,484,161	$ 30,302,160	$ 29,465,069

Net position is comprised of three components:

- *Net investment in capital assets* reflects the Village's investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets. The Village uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment of capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- *Restricted* represents resources that are subject to external restrictions on how they may be used.

- *Unrestricted* is the remaining amount available to spend at the Village Board's discretion.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

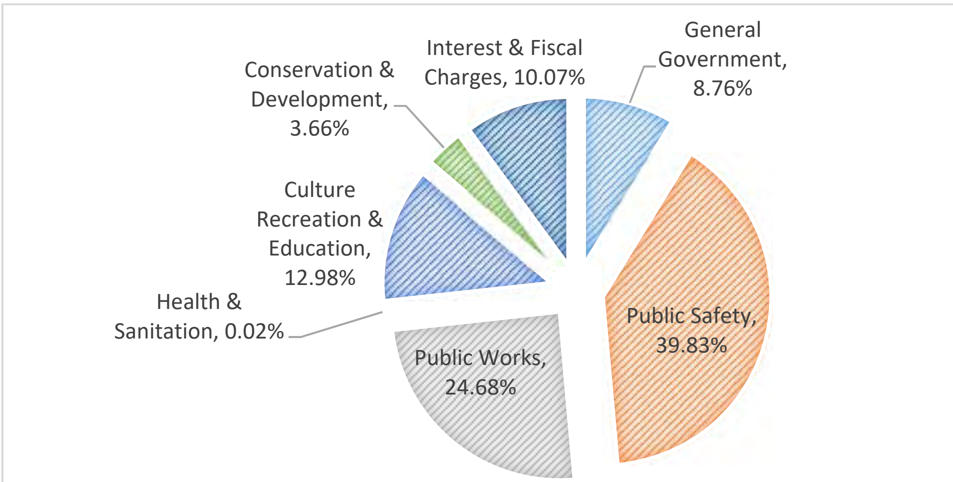
Governmental and Business-Type Activities. Governmental activities increased the Village's net position by $2,304,372 and Business-Type activities increased the Village's net position by $837,091. The net effect is an overall increase in the Village's total net position of $3,141,463.

VILLAGE OF MUKWONAGO CHANGES IN NET POSITION
For the years ending December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues				
Program revenues				
Charges for services	$ 2,456,581	$ 2,334,385	$ 4,060,037	$ 3,819,263
Operating grants and contributions	1,455,474	1,404,848	-	-
Capital grants and contributions	1,294,121	159,327	514,988	2,871,388
General revenues				
Property and other taxes	6,684,860	6,566,506	-	-
Intergovernmental revenues not restricted to specific programs	429,787	376,249	-	-
Investment income	387,958	339,280	193,926	144,148
Gain on sale of land	1,047,788			
Other	149,691	62,526	-	-
Total revenues	13,906,260	11,243,121	4,768,951	6,834,799
Expenses				
General government	1,014,083	909,291	-	-
Public safety	4,611,656	4,227,246	-	-
Public works	2,856,895	6,489,479	-	-
Health and sanitation	2,746	2,680	-	-
Culture, recreation and education	1,502,479	1,502,608	-	-
Conservation and development	424,248	4,537,561	-	-
Interest and fiscal charges	1,165,341	1,203,998	-	-
Water Utility	-	-	1,922,618	1,643,909
Sewer Utility	-	-	2,033,682	1,817,857
Total expenses	11,577,448	18,872,863	3,956,300	3,461,766
Transfers	(24,440)	211,597	24,440	(211,597)
Increase (decrease) in net position	2,304,372	(7,418,145)	837,091	3,161,436
Net position - January 1	2,484,161	9,902,306	29,465,069	26,303,633
Net position - December 31	$ 4,788,533	$ 2,484,161	$ 30,302,160	$ 29,465,069

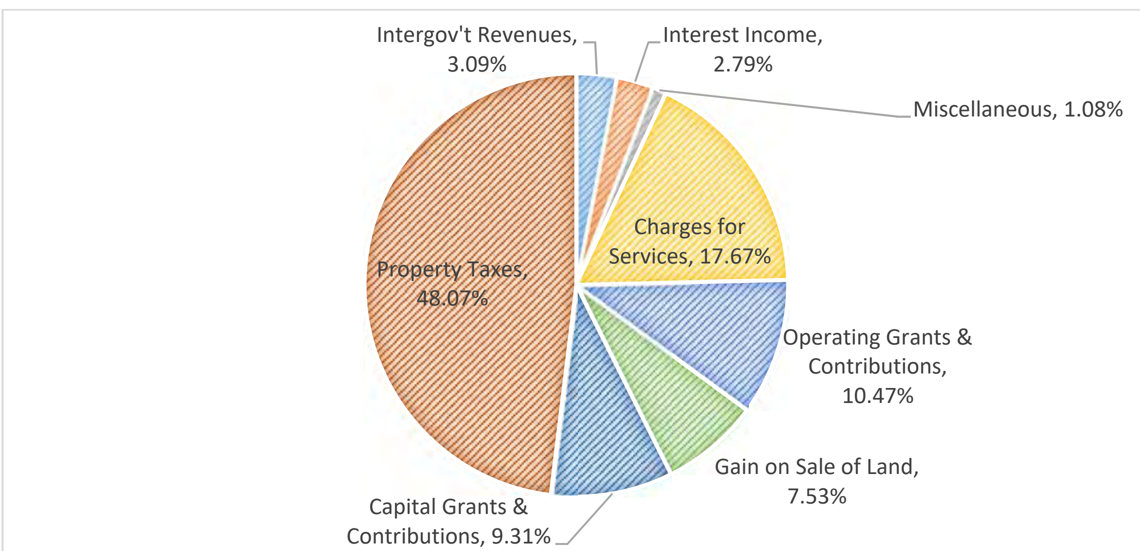
EXPENSES BY FUNCTION – GOVERNMENTAL ACTIVITIES

The graph below shows the percentage of the total governmental activities expenses allocated by each function type.



PROGRAM AND GENERAL REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.



Business-type activities. Business-type activities increased the Village's net position by $837,091. The operating income from business-type activities was $619,300, with net non-operating expenses of $321,637 and capital contributions and transfer activity of $539,428. Operating revenue for the current fiscal year was $4,059,178 with the operating expense of $3,439,878.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Village of Mukwonago uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The following chart shows each Governmental Fund's ending fund balance grouped by its fund balance categorization. For 2019, the percentage shown is of the total 2019 fund balance. There is also comparison to the prior year and an explanation of the change between the two years if significant. The fund balance categories shown in the chart are described as follows:

- Nonspendable – fund balances are not in a spendable form
    - Prepaid items – these exist for every operating fund at year end and represent the health insurance premium that is paid one month in advance
    - Advances to other funds – the General Fund advance to the TID No. 4
- Restricted – Constraints are placed on the use of funds by external factors, constitutional provisions, or enabling legislation
    - Special assessments, impact fees, tax increments and grants
- Committed – Constraints are placed on the use of funds for specific purposes via formal action by the Village Board
    - Capital improvements and equipment funds; Fire Dept, Library & Recycling operating funds
- Assigned – Constraints are placed on the use of funds for specific purposes by the Village Board but can be reallocated by a Village Board designee
    - Accrued sick leave, Fire Dept capital and Village designated use funds
- Unassigned – funds are available for spending at the Village's discretion, net of negative fund balances

Fund Balances as listed in the Balance Sheet for Governmental Funds	2019	% of Total	2018	Increase (Decrease) from Prior Year	% Change from Prior Year Increase (Decrease)	Explanation of Change
Nonspendable Fund Balances						
General Fund	$ 39,323		$ 39,323	$ -	0.0%	General Fund advance to TID #4
Various - Prepaid	111,527		57,451	54,076	94.1%	Increase in prepaid health insurance and risk insurance costs
	$ 150,850	**1%**	**$ 96,774**	**$ 54,076**	**55.9%**	
Restricted Fund Balances						
Debt Service	$ 731,441		$ 620,291	$ 111,150	17.9%	Collection of special assessments
TID #3	1,055,052		892,581	162,471	18.2%	Increase in increment over prior year
TID #5	3,674,654		2,585,257	1,089,397	42.1%	Sale of property in TID 5
Stormwater	58,349		46,585	11,764	25.3%	Building reserve for future pond dredging project
Library	207,255		174,895	32,360	18.5%	Cost savings to replenish reserves
Impact Fees	252,621		139,019	113,602	81.7%	Development activity
	$ 5,979,372	**49%**	**$ 4,458,628**	**$ 1,520,744**	**34.1%**	
Committed Fund Balances						
Fire Dept	$ 95,576		$ 111,638	$ (16,062)	-14.4%	Use of reserves for equipment
Recycling	113,584		99,011	14,573	14.7%	New Development activity
Parkland Site	321,151		245,997	75,154	30.6%	New Development activity
Capital Projects	2,209,518		1,403,317	806,201	57.4%	Reserves for future project
Community Development	195,476		6,691	188,785	2821.5%	Transfer in of General Fund reserves
Revolving Loan	209,361		94,361	115,000	121.9%	Defederalization of CDBG grant
Capital Equipment	308,714		196,663	112,051	57.0%	Reserves for future equipment
	$ 3,453,380	**28%**	**$ 2,157,678**	**$ 1,295,702**	**60.1%**	
Assigned Fund Balances						
GF - Accrued Sick Leave	$ 402,304		$ 393,302	$ 9,002	2.3%	Use of reserves for payouts
GF - Ambulance Capital	256,093		233,122	22,971	9.9%	Restored Prior Year use of Reserves
GF - Village Designated Use	312,077		175,915	136,162	77.4%	Restored Prior Year use of Reserves
	$ 970,474	**8%**	**$ 802,339**	**$ 168,135**	**21.0%**	
Unassigned Fund Balances						
General Fund	$ 1,626,198		$ 1,632,102	$ (5,904)	-0.4%	
TID #4	(50,602)		(38,962)	(11,640)	29.9%	General Fund Advance to TID #4
	$ 1,575,596	**13%**	**$ 1,593,140**	**$ (17,544)**	**-1.1%**	
Total Governmental Funds Fund Balance	**$ 12,129,672**	**100%**	**$ 9,108,559**	**$ 3,021,113**	**33.2%**	

General Fund budgetary highlights. The total appropriations, including those for transfers out, were $5,426,026. Actual expenditures and transfers out were $5,033,555, resulting in a $392,471 favorable variance. Total revenues and other financing sources were $5,226,529, $199,497 less than the final budget. Details can be found in the required supplemental information at the back of this report.

Fire and Ambulance budgetary highlights. The total appropriations, including those for transfers out, were $1,400,518. Actual expenditures and transfers out were $1,411,504, resulting in a $10,986 unfavorable variance. Total revenues and other financing sources were $1,418,285, $24,429 less than the final budget. Details can be found in the required supplemental information at the back of this report.

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

User charge rates for the Water Utility and Sewer Utility funds were implemented in December 2018 and January 2019, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village of Mukwonago's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to $70,661,588 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, roads, storm sewers, library collection, and software.

VILLAGE OF MUKWONAGO'S CAPITAL ASSETS
(net of accumulated depreciation)
As of December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Land	$ 1,909,628	$ 1,909,628	$ 601,764	$ 601,764
Construction in progress	268,405	2,426,020	1,356,761	4,649,705
Land improvements	2,179,989	1,450,537	-	-
Buildings and improvements	8,709,836	8,898,799	35,802,092	30,181,442
Machinery and equipment	2,562,173	2,475,408	1,162,246	1,056,018
Roads	11,712,986	10,630,819	-	-
Storm sewers	3,787,172	2,335,379	-	-
Library collection	378,234	388,027	-	-
Intangible assets	115,187	27,339	115,115	115,115
Total	$ 31,623,610	$ 30,541,956	$ 39,037,978	$ 36,604,046

Additional information on the Village's capital assets can be found in Note III.D.

CAPITAL ASSET AND DEBT ADMINISTRATION cont.)

Long-term obligations. At the end of the current fiscal year, the Village had total debt outstanding of $54,838,447. Of this amount, $26,545,298 comprises debt backed by the full faith and credit of the government, with related premiums balance of $804,384. There is $11,657,137 of revenue bonds outstanding and $13,755,000 in Bond Anticipation Notes that are financed by user fees, with related premiums balance of $419,912. The remainder of the Village's obligations represents accumulated sick pay benefits, net pension liabilities and amounts due to other governments.

VILLAGE OF MUKWONAGO'S LONG TERM OBLIGATIONS
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation debt	$ 26,545,298	$ 24,842,923	$ -	$ -
Premiums	804,384	755,695	419,912	491,660
Compensated absences	597,524	558,562	11,075	8,322
Net Pension Liability (asset)	920,666	-	127,451	-
Due to other governments	-	115,000	-	-
Revenue bonds	-	-	11,657,137	12,459,641
Bond Anticipation Notes	11,925,000	11,925,000	1,830,000	1,980,000
Total	$ 40,792,872	$ 38,197,180	$ 14,045,575	$ 14,939,623

The net effect of all debt activity during the current year was total debt increased by $726,812.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation of taxable property within the Village's jurisdiction. The current debt limitation for the Village is $46,306,875. Total general obligation debt outstanding at year end was $26,545,298. Additional information on the Village of Mukwonago's long-term debt can be found in Note III.F.

ECONOMIC FACTORS AND OTHER BUDGET NOTES

The Village makes every attempt to balance annual operating budgets without using reserve funds. Departments are charged with keeping expenditures in line with conservative revenue forecasts and have been largely successful in staying within budget. Some departments were able to realize savings to use towards planned capital purchases, reducing the need to find other funding sources. In addition, the Village utilizes a five year capital plan to ensure equipment replacement and capital improvement projects remain on track for future funding consideration.

In the process of issuing debt in 2019, Standard & Poor's financial rating service evaluated the Village's financial information and assigned the following ratings for both the new debt and affirmed the rating for existing obligations:

AA/Stable for the new General Obligation Promissory Note
AA/Stable for the taxable General Obligation Refunding Bond
AA/Stable long-term rating affirmed for General Obligation Debt

Factors that contributed to the ratings include:

- Very strong budgetary flexibility with available fund balances in fiscal 2017 of 48% of operating expenditures.
- Very strong liquidity, with total government available cash at 84.0% of total governmental fund expenditures and 2.3x governmental debt service.
- Strong management with good financial policies and practices under S&P's Financial Management Assessment methodology:
    - Adopted policies related to fund balance and debt
    - Monthly reporting of budget-to-actual results and treasury balances to the Village board
    - A multi-year capital plan
- Strong budgetary performance with an operating surplus in the general fund and a slight operating surplus at the total government fund level in fiscal 2017.
- Strong economy with access to a broad-and-diverse metropolitan statistical area (MSA).

Residential properties represent 69.4% of the tax base, commercial properties are 24.0%, manufacturing properties are 4.6% and agriculture, undeveloped and personal property tax combined are the final 2.0%. As part of its strategic plan, the Village continues to actively seek business growth to better balance the residential tax revenues.

In early 2019, the Village completed the infrastructure projects in Tax Increment District No. 5 which was created in the prior year. To date, three developments have been completed and the district has begun generating tax increment. Interest in the industrial park remains high and we expect it to be built out much sooner than originally projected.

Tax Increment District No. 4 is currently being developed with anticipated completion of four apartment buildings by the end of 2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Mukwonago's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to: Diana Doherty, Finance Director, Village of Mukwonago, 440 River Crest Court, P.O. Box 206, Mukwonago, WI 53149.

BASIC FINANCIAL STATEMENTS

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VILLAGE OF MUKWONAGO

STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business - type Activities	Totals
ASSETS			
Cash and investments	$ 12,851,649	$ 2,206,325	$ 15,057,974
Receivables:			
Taxes	7,428,586	5,140	7,433,726
Accounts, net of allowance	287,450	868,752	1,156,202
Due from developer	500,000	-	500,000
Special assessments	225,948	89,929	315,877
Due from other governmental units	18,207	-	18,207
Internal balances	270,823	(270,823)	-
Inventories and prepaid items	111,527	35,048	146,575
Restricted Assets:			
Cash and investments	-	2,510,842	2,510,842
Capital Assets:			
Land	1,909,628	601,764	2,511,392
Construction in progress	268,405	1,356,761	1,625,166
Intangible assets	-	115,115	115,115
Other capital assets, net of depreciation	29,445,577	36,964,338	66,409,915
Total Assets	53,317,800	44,483,191	97,800,991
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	190,051	190,051
Pension related items	2,521,702	375,253	2,896,955
Total Deferred Outflows of Resources	2,521,702	565,304	3,087,006
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	55,839,502	45,048,495	100,887,997
LIABILITIES			
Accounts payable and accrued liabilities	1,336,828	487,271	1,824,099
Deposits	41,991	30,000	71,991
Noncurrent Liabilities:			
Due within one year	3,127,981	990,106	4,118,087
Due in more than one year	37,664,891	13,055,468	50,720,359
Total Liabilities	42,171,691	14,562,845	56,734,536
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,275,577	183,490	1,459,067
Unearned revenue	7,603,701	-	7,603,701
Total Deferred Inflows of Resources	8,879,278	183,490	9,062,768
NET POSITION			
Net investment in capital assets	4,190,285	26,627,178	25,818,587
Restricted for			
Debt service	790,261	67,116	857,377
Tax incremental financing	2,550,440	-	2,550,440
Library	213,363	-	213,363
Stormwater	58,990	-	58,990
Impact fees	252,621	635,878	888,499
Equipment replacement	-	467,565	467,565
Unrestricted (deficit)	(3,267,427)	2,504,423	4,235,872
TOTAL NET POSITION	$ 4,788,533	$ 30,302,160	$ 35,090,693

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 1,014,083	$ 167,370	$ 133,868	$ -
Public safety	4,611,656	1,542,171	133,337	238,781
Public works	2,856,895	694,202	540,344	897,595
Health and sanitation	2,746	-	-	-
Culture, recreation and education	1,502,479	52,293	647,925	157,745
Conservation and development	424,248	545	-	-
Interest and fiscal charges	1,165,341	-	-	-
Total Governmental Activities	11,577,448	2,456,581	1,455,474	1,294,121
Business-type Activities				
Water Utility	1,922,618	2,100,977	-	244,381
Sewer Utility	2,033,682	1,959,060	-	270,607
Total Business-type Activities	3,956,300	4,060,037	-	514,988
Total	$ 15,533,748	$ 6,516,618	$ 1,455,474	$ 1,809,109

General revenues
Taxes
Property taxes levied for general purposes
Property taxes levied for debt service
Property taxes levied for TIF
Other taxes
Intergovernmental revenues not restricted to specific programs
Investment income
Gain on sale of land
Miscellaneous
Total general revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to the financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business - type Activities	Totals
$ (712,845)	$ -	$ (712,845)
(2,697,367)	-	(2,697,367)
(724,754)	-	(724,754)
(2,746)	-	(2,746)
(644,516)	-	(644,516)
(423,703)	-	(423,703)
(1,165,341)	-	(1,165,341)
(6,371,272)	-	(6,371,272)
-	422,740	422,740
-	195,985	195,985
-	618,725	618,725
(6,371,272)	618,725	(5,752,547)
3,685,330	-	3,685,330
2,194,034	-	2,194,034
792,039	-	792,039
13,457	-	13,457
429,787	-	429,787
387,958	193,926	581,884
1,047,788	-	1,047,788
149,691	-	149,691
8,700,084	193,926	8,894,010
(24,440)	24,440	-
2,304,372	837,091	3,141,463
2,484,161	29,465,069	31,949,230
$ 4,788,533	$ 30,302,160	$ 35,090,693

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	Special Revenue Fund Fire and Ambulance Fund
ASSETS		
Cash and investments	$ 2,727,665	$ 171,214
Receivables:		
Taxes	2,671,895	222,854
Accounts, net of allowance	106,097	113,305
Due from developer	-	-
Special assessments	-	-
Due from other governments	-	18,207
Due from other funds	60,672	-
Advance to other fund	39,323	-
Prepaid items	75,172	29,514
TOTAL ASSETS	$ 5,680,824	$ 555,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	$ 132,265	$ 20,778
Accrued liabilities	117,429	33,135
Deposits	41,991	-
Due to other funds	-	24,346
Due to other goverments	6,077	24,320
Advances from other fund	-	-
Total Liabilities	297,762	102,579
Deferred Inflows of Resources		
Unavailable revenue	-	104,571
Unearned revenue	2,671,895	222,854
Total Deferred Inflows of Resources	2,671,895	327,425
Fund Balances		
Nonspendable	114,495	29,514
Restricted	-	-
Committed	-	95,576
Assigned	970,474	-
Unassigned (deficit)	1,626,198	-
Total Fund Balances	2,711,167	125,090
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,680,824	$ 555,094

See accompanying notes to the financial statements.

Debt Service Fund	Capital Projects Fund Tax Incremental District No. 3 Fund	Capital Projects Fund Tax Incremental District No. 5 Fund	Capital Projects Fund Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 731,441	$ 1,055,052	$ 4,021,156	$ 209,851	$ 3,935,270	$ 12,851,649
2,457,442	909,717	245,776	-	920,902	7,428,586
-	-	10,613	-	57,435	287,450
-	-	500,000	-	-	500,000
212,934	13,014	-	-	-	225,948
-	-	-	-	-	18,207
-	-	-	-	-	60,672
-	-	245,776	-	-	285,099
-	-	-	-	6,841	111,527
$ 3,401,817	$ 1,977,783	$ 5,023,321	$ 209,851	$ 4,920,448	$ 21,769,138
$ -	$ -	$ 357,115	$ 14,375	$ 291,808	$ 816,341
-	-	-	-	20,440	171,004
-	-	-	-	-	41,991
-	-	-	-	11,279	35,625
-	-	-	-	-	30,397
-	-	-	-	39,323	39,323
-	-	357,115	14,375	362,850	1,134,681
296,513	-	500,000	-	-	901,084
2,373,863	922,731	491,552	-	920,806	7,603,701
2,670,376	922,731	991,552	-	920,806	8,504,785
-	-	-	-	6,841	150,850
731,441	1,055,052	3,674,654	-	518,225	5,979,372
-	-	-	195,476	3,162,328	3,453,380
-	-	-	-	-	970,474
-	-	-	-	(50,602)	1,575,596
731,441	1,055,052	3,674,654	195,476	3,636,792	12,129,672
$ 3,401,817	$ 1,977,783	$ 5,023,321	$ 209,851	$ 4,920,448	$ 21,769,138

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

Total Fund Balances - Governmental Funds	$ 12,129,672
Amounts reported for governmental activities in the statement of net position are different because different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds	
Land	1,909,628
Construction in progress	268,405
Other capital assets	47,118,979
Less: Accumulated depreciation/amortization	(17,673,402)
Deferred outflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	2,521,702
Deferred inflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	(1,275,577)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	901,084
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(39,274,682)
Compensated absences	(597,524)
Net pension liability	(920,666)
Accrued interest	(319,086)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 4,788,533

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	General Fund	Special Revenue Fund Fire and Ambulance Fund
REVENUES		
Taxes	$ 2,622,943	$ 218,484
Special assessments	-	-
Intergovernmental	834,756	9,790
Licenses and permits	637,685	-
Fines, forfeitures and penalties	179,023	-
Public charges for services	36,309	934,513
Intergovernmental charges for services	197,904	227,892
Investment income	122,302	1,772
Other revenues	154,021	6,777
Total Revenues	4,784,943	1,399,228
EXPENDITURES		
Current		
General government	771,287	-
Public safety	2,475,218	1,372,079
Public works	842,931	-
Health and human services	2,746	-
Culture, recreation and education	171,459	-
Conservation and development	211,051	-
Capital Outlay	49,456	39,425
Debt Service		
Principal	-	-
Interest and fees	-	-
Total Expenditures	4,524,148	1,411,504
Excess (deficiency) of revenues over expenditures	260,795	(12,276)
OTHER FINANCING SOURCES (USES)		
Transfers in	438,051	9,407
Transfers out	(509,407)	-
Debt issued	-	-
Premium on debt issued	-	-
Proceeds from sale of land	-	-
Proceeds from sale of capital assets	3,535	9,650
Total Other Financing Sources (Uses)	(67,821)	19,057
Net Change in Fund Balances	192,974	6,781
FUND BALANCES - Beginning of Year	2,518,193	118,309
FUND BALANCES - END OF YEAR	$ 2,711,167	$ 125,090

See accompanying notes to the financial statements.

Debt Service Fund	Capital Projects Fund Tax Incremental District No. 3 Fund	Capital Projects Fund Tax Incremental District No. 5 Fund	Capital Projects Fund Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,194,034	$ 792,039	$ -	$ -	$ 900,264	$ 6,727,764
107,595	23,321	-	-	-	130,916
-	20,521	-	-	549,482	1,414,549
-	-	790,000	-	321,786	1,749,471
-	-	-	-	-	179,023
-	-	-	-	231,317	1,202,139
-	-	-	-	107,529	533,325
56,410	28,009	80,483	693	99,682	389,351
-	39,825	57,008	-	266,836	524,467
2,358,039	903,715	927,491	693	2,476,896	12,851,005
-	9,624	40,958	2,303	85,883	910,055
-	-	-	-	-	3,847,297
-	-	-	-	576,700	1,419,631
-	-	-	-	-	2,746
-	-	-	-	982,911	1,154,370
-	-	-	6,455	336	217,842
-	-	1,818,558	194,305	1,866,856	3,968,600
3,051,090	1,846,535	-	-	-	4,897,625
484,246	228,089	465,444	-	53,213	1,230,992
3,535,336	2,084,248	2,324,960	203,063	3,565,899	17,649,158
(1,177,297)	(1,180,533)	(1,397,469)	(202,370)	(1,089,003)	(4,798,153)
80,000	108,845	-	438,800	-	1,075,103
-	-	-	(47,645)	(125,000)	(682,052)
1,175,000	1,200,000	1,860,000	-	2,365,000	6,600,000
33,447	34,159	79,078	-	100,548	247,232
-	-	547,788	-	-	547,788
-	-	-	-	18,010	31,195
1,288,447	1,343,004	2,486,866	391,155	2,358,558	7,819,266
111,150	162,471	1,089,397	188,785	1,269,555	3,021,113
620,291	892,581	2,585,257	6,691	2,367,237	9,108,559
$ 731,441	$ 1,055,052	$ 3,674,654	$ 195,476	$ 3,636,792	$ 12,129,672

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

Net change in fund balances - total governmental funds	$ 3,021,113
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide statements	3,968,600
Some items reported as outlay were not capitalized	(1,260,292)
Depreciation is reported in the government-wide statements	(1,587,422)
Net book value of assets retired	(39,232)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Special assessments and ambulance bills	(23,728)
Developer receivable	500,000
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(6,600,000)
Principal repaid	4,897,625
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(38,962)
Accrued interest on debt	(132,892)
Net pension liability	(1,672,485)
Deferred inflows/outflows of resources related to pension	1,320,736
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense	
Premium on new debt	(247,232)
Amortization of debt premiums	198,543
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,304,372

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	$ 751,456	$ 1,454,869	$ 2,206,325
Receivables:			
Accounts	480,521	388,231	868,752
Taxes	2,654	2,486	5,140
Inventories	21,870	-	21,870
Prepaid items	7,308	5,870	13,178
Restricted Asset:			
Cash and investments	51,264	49,938	101,202
Total Current Assets	1,315,073	1,901,394	3,216,467
Noncurrent Assets			
Restricted Assets:			
Cash and investments	598,701	1,810,939	2,409,640
Other Asset:			
Special assessments receivable	294	89,635	89,929
Capital Assets:			
Land	585,867	15,897	601,764
Construction in progress	1,305,435	51,326	1,356,761
Intangible assets	-	115,115	115,115
Other capital assets, net of depreciation	20,439,313	16,525,025	36,964,338
Total Noncurrent Assets	22,929,610	18,607,937	41,537,547
Total Assets	24,244,683	20,509,331	44,754,014
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	19,704	170,347	190,051
Pension related items	181,535	193,718	375,253
Total Deferred Outflows of Resources	201,239	364,065	565,304

See accompanying notes to the financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	$ 268,311	$ 162,791	$ 431,102
Accrued liabilities	8,594	7,732	16,326
Accrued interest payable	3,339	2,418	5,757
Deposits	30,000	-	30,000
Advance due to other funds	245,776	-	245,776
Due to other funds	25,047	-	25,047
Current portion of bonds and notes payable	104,400	75,600	180,000
Current portion of compensated absenses	922	923	1,845
Liabilities Payable From Restricted Assets:			
Accrued interest payable	15,753	18,333	34,086
Current portion of revenue bonds	428,968	379,293	808,261
Total Current Liabilities	1,131,110	647,090	1,778,200
Noncurrent Liabilities			
Long-Term Debt:			
Net pension liability	64,350	63,101	127,451
Bonds and notes payable	5,906,529	7,012,258	12,918,787
Compensated absences	4,615	4,615	9,230
Total Noncurrent Liabilities	5,975,494	7,079,974	13,055,468
Total Liabilities	7,106,604	7,727,064	14,833,668
DEFERRED INFLOWS OF RESOURCES			
Pension related items	87,330	96,160	183,490
NET POSITION			
Net investment in capital assets	16,506,382	10,120,796	26,627,178
Restricted for			
Equipment replacement	-	467,565	467,565
Impact fees	2,741	633,137	635,878
Debt service	35,511	31,605	67,116
Unrestricted	707,354	1,797,069	2,504,423
TOTAL NET POSITION	$ 17,251,988	$ 13,050,172	$ 30,302,160

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	$ 2,100,852	$ 1,958,326	$ 4,059,178
OPERATING EXPENSES			
Operation and maintenance	1,151,071	1,004,642	2,155,713
Depreciation	525,402	716,794	1,242,196
Taxes	22,745	19,224	41,969
Total Operating Expenses	1,699,218	1,740,660	3,439,878
Operating Income	401,634	217,666	619,300
NONOPERATING REVENUES (EXPENSES)			
Investment income	92,735	101,191	193,926
Miscellaneous income (expense)	125	734	859
Gain (loss) on asset disposal	(12,001)	(20,126)	(32,127)
Interest and fiscal charges	(211,399)	(272,896)	(484,295)
Total Nonoperating Revenues (Expense)	(130,540)	(191,097)	(321,637)
Income Before Capital Contributions and Transfers	271,094	26,569	297,663
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	441,606	490,873	932,479
Transfers in	-	10,000	10,000
Transfers out	(394,552)	(8,499)	(403,051)
Total Capital Contributions and Transfers	47,054	492,374	539,428
Change in Net Position	318,148	518,943	837,091
NET POSITION - Beginning of Year	16,933,840	12,531,229	29,465,069
NET POSITION - END OF YEAR	$ 17,251,988	$ 13,050,172	$ 30,302,160

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,163,552	$ 2,000,490	$ 4,164,042
Paid to suppliers for goods and services	(896,112)	(668,717)	(1,564,829)
Paid to employees for services	(270,218)	(252,283)	(522,501)
Net Cash Flows From Operating Activities	997,222	1,079,490	2,076,712
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	92,743	101,309	194,052
Net Cash Flows From Investing Activities	92,743	101,309	194,052
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(384,552)	(8,499)	(393,051)
Transfers in (out)	(10,000)	10,000	-
Net Cash Flows From Noncapital Financing Activities	(394,552)	1,501	(393,051)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(503,389)	(449,115)	(952,504)
Interest and fees paid	(245,905)	(261,094)	(506,999)
Advance from other funds	(790,000)	-	(790,000)
Special assessments received	32,737	33,410	66,147
Acquisition and construction of capital assets	(1,320,641)	(1,951,971)	(3,272,612)
Impact fees received	211,791	145,171	356,962
Net Cash Flows From Capital and Related Financing Activities	(2,615,407)	(2,483,599)	(5,099,006)
Net Change in Cash and Cash Investments	(1,919,994)	(1,301,299)	(3,221,293)
CASH AND CASH INVESTMENTS - Beginning of Year	3,321,415	4,617,045	7,938,460
CASH AND CASH INVESTMENTS - END OF YEAR	$ 1,401,421	$ 3,315,746	$ 4,717,167

See accompanying notes to the financial statements.

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	$ 401,634	$ 217,666	$ 619,300
Miscellaneous nonoperating activities	125	734	859
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	525,402	716,794	1,242,196
Depreciation charged to other funds	29,180	(29,180)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources			
Accounts receivable	771	70,610	71,381
Materials and supplies	3,614	-	3,614
Prepaid items	(5,016)	(2,403)	(7,419)
Due from municipality	32,624	-	32,624
Accounts payable	6,656	79,090	85,746
Due to municipality	(17,344)	-	(17,344)
Accrued liabilities	1,373	1,377	2,750
Compensated absences	1,513	1,424	2,937
Pension related deferrals and liabilities	15,690	23,378	39,068
Customer deposits	1,000	-	1,000
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 997,222	$ 1,079,490	$ 2,076,712
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments - statement of net position	$ 751,456	$ 1,454,869	$ 2,206,325
Restricted cash and investments - statement of net position	649,965	1,860,877	2,510,842
CASH AND CASH EQUIVALENTS	$ 1,401,421	$ 3,315,746	$ 4,717,167
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	$ 197,225	$ 220,266	
Special assessments levied	$ 32,590	$ 397,392	
Capital assets financed through accounts payable	$ 144,394	$ 36,730	
Amortization of debt premium	$ 35,434	$ 36,313	
Amortization of loss on refunding	$ (2,626)	$ (49,125)	
Advance from other funds	$ 159,860	$ -	

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Custodial Fund Tax Collection Fund
ASSETS	
Cash and investments	$ 8,454,608
Taxes receivable	185,835
Total Assets	8,640,443
LIABILITIES	
Accounts payable	20,806
Due to other governments	8,619,637
Total Liabilities	8,640,443
NET POSITION	$ -

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Custodial Fund Tax Collection Fund
ADDITIONS	
Tax collections	$ 8,376,277
Total Additions	8,376,277
DEDUCTIONS	
Payments to overlying districts	8,376,277
Total Deductions	8,376,277
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the government and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

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

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

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

The village reports the following major governmental funds:

General Fund – accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Fire and Ambulance Special Revenue Fund – accounts for resources legally restricted or committed to supporting expenditures for fire and ambulance services.

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

Tax Incremental District (TID) No. 3 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlines in the TID project plan.

Tax Incremental District (TID) No. 5 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Community Development Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned for the acquisition of land and/or major capital projects related to community development.

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

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

Fund Financial Statements (cont.)

The village reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.
Sewer Utility – accounts for operations of the sewer system.

The village reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure and capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Library	Recycling
Revolving Loan	Park Land Site
Impact Fee	Stormwater

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets as budgeted or as outlined in the plan for TID No. 4

Capital Equipment	Tax Incremental District (TID) No. 4
Capital Project Fund	

In addition, the village reports the following fund types:

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

Tax Collection Fund

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2019, there were $396,160 of anticipated future assessments. This is not reported as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

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

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

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

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

d. The local government investment pool.

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

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

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

The village has adopted an investment policy. That policy follows the state statute for allowable investments and contains the following additional guidelines for allowable investments. Bank services will be provided by the official depositories approved annually by the Village Board. Prohibited investments include derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Village funds may only be placed in FDIC insured depository institutions. Deposits at individual depository institutions above $650,000 must be collateralized as to principal and interest with securities that are obligations of the U.S. Government or its agencies that are fully guaranteed by the U.S. Government or collateralized as to the principal and interest with promissory notes from borrowers of depository institutions that maintain a rating from Standard and Poor's of BBB or BBB- or a rating from Moody's of Baa. Deposits above $650,000 with depository institutions that maintain a rating from Standard & Poor's of AAA, AA, or A or a rating from Moody's of Aaa, Aa, or A are not required to be collateralized. Investments shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes affecting different types of securities. Time deposits may not exceed 3 years and debt that is not guaranteed as to principal and interest by the Federal Government or its Agencies or a Wisconsin municipality must have a maturity of not more than 7 years. Reserve funds may be invested in securities exceeding 7 years if the maturity of such investments coincides with the expected use of these funds and is approved by the Finance Committee.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on comingled investments of municipal accounting funds is allocated on average balances. The difference between the bank statement and carrying value is due to outstanding checks and/or deposits in transit.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for remitted to the state and county governments as well as the local school district, Phantom Lakes Management district, and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities – agency fund.

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	April 30, 2020
Third installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term Interfund loans are reported as "due to and from other funds." Long-term Interfund loans (non-current portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

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

4. Restricted Assets

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

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets and $5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Additions to and replacements of capital assets of business-type activities are reported at original cost, which includes material, labor, overhead, and allowance for the cost of funds used during construction when significant. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	50	Years
Land Improvements	20-50	Years
Machinery and Equipment	3-25	Years
Utility System	3-77	Years
Infrastructure	20-50	Years
Intangible Assets	8-10	Years
Library Collection	5-10	Years

Fund Financial Statements

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

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

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The village does not accrue accumulated vacation or sick leave, but rather expenses these costs as they are paid. Vacation time is not cumulative from year to year. Accumulated sick leave benefits are paid upon retirement or termination if the employee has at least 20 years of full-time service with the village. Employees may accumulate a maximum of 120 days of sick leave

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRBs are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2019, the principal amount for the 2001 series outstanding was $230,962; the original issue amount was $2,300,000. In 2018, the village issued two new industrial revenue bonds. The original issue amounts were $8,000,000 and $3,836.755; the principal balances for the 2018 series bonds at December 31, 2019 were $7,858.352 and $3,836,755 respectively.

9. Deferred Inflows of Resources

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

10. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on November 26, 2018.

Sewer Utility

Current sewer rates were approved by the Village Board on December 17, 2013. New sewer rates for 2020 sewer billings were approved by the Village Board on November 12, 2019.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications

Government–Wide Statements

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

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. The amount is a reduction of “net investment in capital assets”, and an increase in “unrestricted” net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net Investment in capital assets	$ 4,190,285	$ 26,627,178	$ (4,998,876)	$ 25,818,587
Unrestricted (deficit)	(2,267,427)	2,504,423	4,998,876	5,235,872

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

Fund Statements

Governmental fund balances are displayed as follows:

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

b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

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

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following: 1) The village has adopted a financial policy authorizing the Village Administrator to assign amounts for specific purposes; 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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

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

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

The village has a formal minimum fund balance policy to maintain a minimum fund balance of 25% of the subsequent year's General Fund budgeted expenditures. As of December 31, 2019, the village's unassigned fund balance was $1,626,198 which exceeded the required fund balance of $1,220,622.

See Note III. G. for further information.

12. Pension

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

B. LIMITATIONS ON THE VILLAGE TAX LEVY

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

C. DEFICIT BALANCE

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

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

Fund	Amount	Reason
Capital Projects Fund - Tax Incremental District No. 4	$ 50,602	Tax increment generated in 2019 was not enough to cover expenses incurred in 2019 to prepare the site for development.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. *DEPOSITS AND INVESTMENTS*

Cash equivalents and investments as shown on the village's Statement of Net Position are subject to the following risks:

	Carrying Value	Statement Balance	Associated Risks
Deposits	$ 8,077,020	$ 8,128,353	Custodial credit
LGIP	17,946,004	17,946,004	Credit
Petty Cash	400	-	N/A
Total Deposits and Investments	$ 26,023,424	$ 26,074,357	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investment	$ 15,057,974
Restricted cash and investment	2,510,842
Per statement of assets and liabilities - agency fund	8,454,608
Total Deposits and Investments	$ 26,023,424

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

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

The village maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of $4,521,695 to secure the village's deposits.

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

The village does not have any deposits exposed to custodial credit risk.

Investments

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

The village does not have any investments exposed to custodial risk.

Credit Risk

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

The village held investments in the following external pools which are not rated:

LGIP

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

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for $212,934 of special assessments.

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 7,357,925	$ -
Ambulance receivable	-	104,571
Water impact fees for TID No. 5 Project	245,776	-
Amount due from TID No. 5 Developer Letter of Credit	-	500,000
Special assessments not yet due	-	212,934
Special assessments principal and interest on tax roll	-	83,579
Total Unearned/Unavailable Revenue for Governmental Funds	$ 7,603,701	$ 901,084

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption	Used to segregate resources accumulated for debt service payments over the next twelve months
Reserve	Used to report resources set aside to make up potential future deficiencies in redemption account.

Equipment Replacement Account

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

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Unspent funds after seven years from the date of receipt must be refunded to the current property owner.

Following is a list of restricted assets as of December 31, 2019:

	Restricted Assets
Water redemption - current	$ 51,264
Water reserve	595,960
Water impact fee	2,741
Sewer redemption - current	49,938
Sewer reserve	710,237
Sewer impact fee	633,137
Equipment replacement	467,565
Total	$ 2,510,842

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

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,909,628	$ -	$ -	$ 1,909,628
Construction in progress	2,426,020	210,752	2,368,367	268,405
Total Capital Assets Not Being Depreciated	4,335,648	210,752	2,368,367	2,178,033
Capital assets being depreciated/amortized				
Land improvements	1,831,573	813,229	-	2,644,802
Buildings	11,767,145	52,017	-	11,819,162
Machinery and equipment	5,231,417	437,357	314,583	5,354,191
Roads	19,937,509	1,848,242	-	21,785,751
Storm sewers	2,988,260	1,519,154	-	4,507,414
Library collection	799,130	84,179	93,118	790,191
Intangible assets	114,494	111,745	8,771	217,468
Total Capital Assets Being Depreciated/Amortized	42,669,528	4,865,923	416,472	47,118,979
Total Capital Assets	47,005,176	5,076,675	2,784,839	49,297,012
Less: Accumulated depreciation/amortization for				
Land improvements	(381,036)	(83,777)	-	(464,813)
Buildings	(2,868,346)	(240,980)	-	(3,109,326)
Machinery and equipment	(2,756,009)	(311,800)	275,791	(2,792,018)
Roads	(9,306,690)	(766,075)	-	(10,072,765)
Storm sewers	(652,881)	(67,361)	-	(720,242)
Library collection	(411,103)	(93,972)	93,118	(411,957)
Intangible assets	(87,155)	(23,457)	8,331	(102,281)
Total Accumulated Depreciation/Amortization	(16,463,220)	(1,587,422)	377,240	(17,673,402)
Net Capital Assets Being Depreciated/Amortized	26,206,308	3,278,501	39,232	29,445,577
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	$ 30,541,956	$ 3,489,253	$ 2,407,599	$ 31,623,610

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

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	$ 63,486
Public Safety	261,130
Publice works, which includes depreciation of infrastructure	960,438
Culture, recreation and education	302,368
Total Governmental Activities Depreciation/Amortization Expense	$ 1,587,422

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land	$ 15,897	$ -	$ -	$ 15,897
Intangible assets	115,115	-	-	115,115
Construction in progress	2,222,648	-	2,171,322	51,326
Total Capital Assets Not Being Depreciated	2,353,660	-	2,171,322	182,338
Capital Assets Being depreciated				
Buildings and improvements	21,979,460	3,973,764	832,881	25,120,343
Machinery and equipment	1,930,053	139,473	60,074	2,009,452
Total Capital Assets Being Depreciated	23,909,513	4,113,237	892,955	27,129,795
Total Capital Assets	26,263,173	4,113,237	3,064,277	27,312,133
Less: Accumulated Depreciation for				
Buildings and improvements	(9,060,310)	(627,131)	832,880	(8,854,561)
Machinery and equipment	(1,729,675)	(60,483)	39,949	(1,750,209)
Total Accumulated Depreciation	(10,789,985)	(687,614)	872,829	(10,604,770)
Net Capital Assets Being Depreciated	13,119,528	3,425,623	20,126	16,525,025
Net Sewer Capital Assets	$ 15,473,188	$ 3,425,623	$ 2,191,448	$ 16,707,363

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated				
Land and land rights	$ 585,867	$ -	$ -	$ 585,867
Construction in progress	2,427,057	-	1,121,622	1,305,435
Total Capital Assets Not Being Depreciated	3,012,924	-	1,121,622	1,891,302
Capital assets being depreciated				
Buildings and improvements	22,175,339	2,702,378	4,294	24,873,423
Machinery and equipment	2,536,505	190,585	121,701	2,605,389
Total Capital Assets being Depreciated	24,711,844	2,892,963	125,995	27,478,812
Total Capital Assets	27,724,768	2,892,963	1,247,617	29,370,114
Less: accumulated depreciation for				
Buildings and improvements	(4,913,047)	(428,360)	4,294	(5,337,113)
Machinery and equipment	(1,680,865)	(126,221)	104,700	(1,702,386)
Total Accumulated Depreciation	(6,593,912)	(554,581)	108,994	(7,039,499)
Net Capital Assets Being Depreciated	18,117,932	2,338,382	17,001	20,439,313
Net Water Capital Assets	$ 21,130,856	$ 2,338,382	$ 1,138,623	$ 22,330,615
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 36,604,044	$ 5,764,005	$ 3,330,071	$ 39,037,978

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Sewer	$ 716,794
Water	525,402
Total Business-Type Activities Depreciation Expense	$ 1,242,196

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund - Fire and Ambulance Fund	$ 24,346
General Fund	Water Utility	25,047
General Fund	Capital Projects Fund - TID No.	11,279
Total Fund Financial Statements		60,672
Less: Fund Eliminations		(35,625)
Plus: Advances		245,776
Total Internal Balances - Government-Wide Statement of Net Position		$ 270,823

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	$ 270,823
Business-type Activities	Governmental Activities	-
Total Government-Wide Financial Statements		$ 270,823

All amounts are due within one year.

The principal purpose of these interfunds is the collection of special charges on the tax roll and the allocation of commingled cash and investment balances. All remaining balances resulted from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

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

Advances

The General Fund advanced funds to the Capital Projects Fund - Tax Increment District No. 4 fund to cover the deficiency of revenues over expenditures and other financing sources during the creation of the Tax Increment District. Repayment will occur as the district begins generating revenue.

The Capital Projects Fund - Tax Increment District No. 5 Fund advanced funds to the Water Utility Fund for the installation of a booster pump and water main oversizing, the cost of which will be recovered through current and future impact fees.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Due Within One Year
General Fund	Capital Projects Fund - Tax Increment District No. 4	$ 39,323	$ 39,323
Capital Projects Fund - Tax Increment District No. 5	Water Utility	245,776	245,776
Total Fund Financial Statements		285,099	
Less: Fund Eliminations		(39,323)	
Total - Interfund Advances - Government-Wide Statement of Net Position		$ 245,776	

Capital Projects Fund – Tax Incremental District No. 4 recorded its first increment in 2019 and the advance will be repaid from the revenues once a sufficient amount has been recognized.

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Sewer Utility	$ 8,499	Payment in lieu of taxes
General Fund	Water Utility	384,552	Payment in lieu of taxes
Debt Service Fund	Special Revenue Fund - Impact Fee Fund	80,000	To fund debt service
General Fund	Special Revenue Fund - Impact Fee Fund	45,000	Replenish reserve for funds used in fire station remodel
Capital Projects Fund - Community Development Fund	Capital Projects Fund - Tax Incremental District No. 3 Fund	47,645	Refund prior year engineering costs
Capital Projects Fund - Community Development Fund	General Fund	438,800	Reallocate funds for projects
Special Revenue Fund - Fire and Ambulance Fund	General Fund	9,407	Settlement with the Town
Capital Projects Fund - Tax Incremental District No. 3 Fund	General Fund	61,200	Transfer for building purposes
Sewer Utility	Water Utility	10,000	To pay for rental cost of equipment
Total - Fund Financial Statements		$ 1,085,103	
Less: Fund eliminations		(692,052)	
Less: Capital assets contributed to Enterprise Funds		(417,491)	
Total Transfers - Government-Wide Statement of Activities		$ (24,440)	

Transfer In	Transfer Out	Amount
Governmental Activities	Business-type Activities	$ 393,051
Business-type Activities	Governmental Activities	(417,491)
Total Government-Wide Financial Statements		$ (24,440)

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

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds & Notes Payable					
General obligation debt	$ 24,842,923	$ 6,600,000	$4,897,625	$ 26,545,298	$ 3,028,434
Bond anticipation notes	11,925,000	-	-	11,925,000	-
Premiums	755,695	247,232	198,543	804,384	-
Total Bonds & Notes Payable	37,523,618	6,847,232	5,096,168	39,274,682	3,028,434
Other Liabilities					
Compensated absences	558,562	38,962	-	597,524	99,547
Net pension liability	-	920,666	-	920,666	-
Due to other governments	115,000	-	115,000	-	-
Total Other Liabilities	673,562	959,628	115,000	1,518,190	99,547
Total Governmental Activities Long-Term Liabilities	$ 38,197,180	$ 7,806,860	$5,211,168	$ 40,792,872	$ 3,127,981
Business-Type Activities					
Bonds & Notes Payable					
Revenue bonds	$ 12,459,641	$ -	$ 802,504	$ 11,657,137	$ 808,261
Bond anticipation notes	1,980,000	-	150,000	1,830,000	180,000
Premiums	491,660	-	71,748	419,912	-
Total Bonds & Notes Payable	14,931,301	-	1,024,252	13,907,049	988,261
Other Liabilities					
Compensated absences	8,322	2,753	-	11,075	1,845
Net pension liability	-	127,451	-	127,451	-
Total Other Liabilities	8,322	130,204	-	138,526	1,845
Total Business Type Activities Long-Term Liabilities	$ 14,939,623	$ 130,204	$1,024,252	$ 14,045,575	$ 990,106

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property with the village's jurisdiction. The debt limit as of December 31, 2019, was $46,306,875. Total general obligation debt outstanding at year end was $26,545,298.

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activites

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Refunding Promissory Notes (TID #3)	11/1/2011	10/1/2021	1.0-3.0%	$ 3,675,000	$ 1,950,000
GO Refunding Bonds (TID #3)	11/1/2012	10/1/2026	1.0-2.5%	3,620,000	1,950,000
GO Refunding Bonds	11/20/2013	12/1/2022	1.0-2.65%	3,000,000	1,225,000
GO Note	11/30/2014	2/15/2022	0.00%	27,468	10,298
GO Promissory Note	4/1/2015	4/1/2025	1.0-3.0%	6,785,000	4,935,000
GO Promissory Note	7/6/2016	10/1/2026	2.00%	3,100,000	1,900,000
GO Promissory Note	11/1/2017	10/1/2026	2.0-3.0%	1,400,000	1,300,000
GO Promissory Note	6/1/2018	10/1/2026	3.0-3.25%	2,145,000	2,000,000
GO Refunding Bonds	9/5/2018	12/1/2026	2.0-3.5%	5,375,000	4,675,000
GO Taxable Refunding Bonds	2/20/2019	3/1/2026	3.0-4.0%	2,375,000	2,375,000
GO Promissory Note	2/20/2019	3/1/2028	2.0-3.5%	4,225,000	4,225,000
Total Government Activities - General Obligation Debt					$ 26,545,298

Debt service requirements to maturity are as follows:

Years	Governmental Activities Principal	Governmental Activities Interest
2020	$ 3,028,434	$ 827,316
2021	4,553,434	645,925
2022	3,178,430	522,925
2023	3,300,000	439,456
2024	3,510,000	346,806
2025-2028	8,975,000	501,656
Totals	$ 26,545,298	$ 3,284,084

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The village has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in various years. Proceeds from the bonds provided financing for the variety of water and sewer projects. The bonds are payable solely from water and sewer revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 51% of net revenues. The total principal and interest remaining to be paid on the bonds is $14,629,413. Principal and interest paid for the current year and total customer revenues were $1,234,428 and $2,056,281 respectively.

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

Business-type Activities Revenue Debt

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Revenue Bonds	1/1/2008	12/1/2026	4.00-4.75%	$ 2,281,280	$ 1,425,800
Revenue Bonds	12/1/2010	12/1/2021	2.00-4.625%	1,376,948	765,948
Revenue Bonds	7/6/2016	12/1/2029	2.00-3.00%	3,596,423	3,200,123
Revenue Bonds	6/1/2018	12/1/2033	4.00%	1,095,000	1,065,000
				Total Sewer Utility	6,456,871
Water Utility					
Revenue Bonds	4/29/2002	5/1/2022	2.75%	627,355	87,137
Revenue Bonds	1/1/2008	12/1/2026	4.00-4.75%	918,720	574,200
Revenue Bonds	12/1/2010	12/1/2021	2.00-4.625%	1,543,052	409,052
Revenue Bonds	7/6/2016	12/1/2029	2.00-3.00%	1,848,577	1,644,877
Revenue Bonds	6/1/2018	12/1/2033	4.00%	2,555,000	2,485,000
				Total Water Utility	5,200,266
Total Business-type Activities – Revenue Debt					$ 11,657,137

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Principal	Business-type Activities Interest
2020	$ 808,261	$ 406,158
2021	819,038	380,270
2022	809,838	353,473
2023	845,000	327,900
2024	910,000	299,025
2025-2029	4,915,000	963,200
2030-2033	2,550,000	242,250
Totals	$ 11,657,137	$ 2,972,276

Bond Anticipation Notes

Governmental Activities

Bond Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Taxable Note Anticipation Note	3/20/2018	12/1/2022	3.875%	$ 4,225,000	$ 4,225,000
Revenue Bond Anticipation Note	6/1/2018	6/1/2021	3.375%	7,700,000	7,700,000
				Total Business-type Activities	$ 11,925,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Principal	Governmental Activities Interest
2020	$ -	$ 423,594
2021	7,700,000	293,657
2022	4,225,000	163,719
Totals	$ 11,925,000	$ 880,970

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

F. LONG-TERM OBLIGATIONS (cont.)

Business-type Activities

Bond Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Sewer bond anticipation notes	12/21/2016	12/1/2021	3.75-4.00%	$ 957,600	$ 768,600
Water bond anticipation notes	12/21/2016	12/1/2021	3.75-4.00%	1,322,400	1,061,400
				Total Business-type Activities	$ 1,830,000

Debt service requirements to maturity are as follows:

	Business-type Activities	
Years	Principal	Interest
2020	$ 180,000	$ 69,076
2021	1,650,000	61,872
Totals	$ 1,830,000	$ 130,948

Other Debt Information

Estimated payments of compensated absences and net pension liability are not included in the debt service requirement schedules. The liabilities are attributable to both governmental and business-type activities will be liquidated primarily by the general fund and utilities.

Current Refunding

On February 20, 2019, the village issued $2,375,000 in general obligation notes with an average coupon rate of 3.89% along with $100,000 of existing funds to refund $2,475,000 of outstanding notes with an average coupon rate of 2.50%. The proceeds of the debt were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was $2,505,937 for 2019. The cash flow requirements on the 2019A G.O. refunding bonds is $2,738,189 from 2019 through 2026. The current refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of $70,022.

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

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net investment in capital assets	
Land	$ 1,909,628
Construction in progress	268,405
Other capital assets, net of accumulated depreciation	29,445,577
Less: Long-term debt outstanding, including premiums	(39,274,682)
Plus: Unspent capital related debt proceeds	3,546,285
Plus: Non-capital debt outstanding	8,295,072
Total Net Investment in Capital Assets	4,190,285
Restricted for	
Debt service	790,261
TID #3	1,008,958
TID #5	1,541,482
Impact fees	252,621
Stormwater	58,989
Library	213,364
Total Restricted	3,865,675
Unrestricted (deficit)	(3,267,427)
Total Governmental Activities Net Position	$ 4,788,533

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

G. NET POSITION/FUND BALANCES (cont.)

GOVERNMENTAL FUNDS

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

		Special Revenue Fund		Capital Projects Funds				
	General Fund	Fire and Ambulance Fund	Debt Service Fund	Tax Incremental District No. 3 Fund	Tax Incremental District No. 5 Fund	Community Development Fund	Nonmajor Governmental Funds	Totals
Fund Balances								
Nonspendable:								
Prepaid Items	$ 75,172	$ 29,514	$ -	$ -	$ -	$ -	$ 6,841	$ 111,527
Advances	39,323	-	-	-	-	-	-	39,323
Restricted for:								
Debt Service	-	-	731,441	1,055,052	-	-	-	1,786,493
Capital Projects	-	-	-	-	3,674,654	-	-	3,674,654
Impact Fees	-	-	-	-	-	-	252,621	252,621
Stormwater	-	-	-	-	-	-	58,349	58,349
Library	-	-	-	-	-	-	207,255	207,255
Committed to:								
Fire & ambulance	-	95,576	-	-	-	-	-	95,576
Revolving Loan	-	-	-	-	-	-	209,361	209,361
Capital equipment	-	-	-	-	-	-	308,714	308,714
Recycling	-	-	-	-	-	-	113,584	113,584
Capital Projects	-	-	-	-	-	-	2,209,518	2,209,518
Parkland Site	-	-	-	-	-	-	321,151	321,151
Development	-	-	-	-	-	195,476	-	195,476
Assigned to:								
Accrued sick pay	402,304	-	-	-	-	-	-	402,304
Ambulance	256,093	-	-	-	-	-	-	256,093
Other	312,077	-	-	-	-	-	-	312,077
Unassigned (deficit)	1,626,198	-	-	-	-	-	(50,602)	1,575,596
Total Fund Balances	$ 2,711,167	$ 125,090	$ 731,441	$ 1,055,052	$ 3,674,654	$ 195,476	$ 3,636,792	$ 12,129,672

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

G. *NET POSITION/FUND BALANCES* (cont.)

BUSINESS-TYPE ACTIVITIES

Net investment in capital assets		
Land	$	716,879
Construction work in progress		1,356,761
Capital assets, net of accumulated depreciation		36,964,338
Less: Long-term debt outstanding, including premiums		(13,907,048)
Plus: Noncapital debt proceeds		1,306,197
Plus: Deferred charge on refunding		190,051
Total Investment in Capital Assets		26,627,178
Restricted for		
Debt service		67,116
Equipment replacement		467,565
Impact Fees		635,878
Total Restricted		1,170,559
Unrestricted		2,504,423
Total Business-type Activities Net Position	$	30,302,160

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the 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 1,200 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
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)
2017	2.0	4
2018	2.4	17

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized $307,171 in contributions from the village.

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

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.70%	6.70%
Protective with Social Security	6.70%	10.70%
Protective without Social Security	6.70%	14.90%

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

At December 31, 2019, the village reported a liability of $1,048,117 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.02946065%, which was an increase of 0.00088240% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of $751,770.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and acutal experience	$ 816,324	$ 1,442,968
Changes in assumptions	176,674	-
Net differences between projected and actual earnings on pension plan investments	1,530,704	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,625	16,099
Employer contributions subsequent to the measurement date	369,628	-
Total	$ 2,896,955	$ 1,459,067

$369,628 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 in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources and Deferred Inflow of Resources (net)
2020	$ 388,875
2021	93,590
2022	168,061
2023	417,734

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7. 0 percent, as well as what the village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6. 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's proportionate share of the net pension liability (asset)	$ 4,165,329	$ 1,048,117	$ (1,269,770)

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

At December 31, 2019, the village reported a payable to the pension plan of $70,540 which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE IV – OTHER INFORMATION (cont.)

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

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

- Statement No. 87, *Leases*
- Statement No. 89*, Accounting for Interest Cost Incurred before the End of Construction Period*
- Statement No. 91, Conduit Debt Obligations

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

E. DEFINED CONTRIBUTION PENSION PLAN

The village provides pension benefits for all of its eligible employees through a defined contribution plan known as the Village of Mukwonago Pension Trust through ICMA-RC who administers the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate in the plan upon becoming eligible for the Wisconsin Retirement System (WRS). This plan is to give eligible full-time employees an additional two and one-half percentage towards retirements, above what the Village contributes to WRS. In addition, Village employees have an option to contribute to this plan from each payroll period. For the year ended December 31, 2019, the total amount contributed was $96,570. Of this amount, $49,743 was contributed by the employer and $46,827 was contributed by the employee. Total contributions for the years ending December 31, 2018 and 2017 were $77,083 and $73,713 respectively. The employer's contribution each year was equal to the required amount.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,619,167	$ 2,619,167	$ 2,622,943	$ 3,776
Intergovernmental	778,785	796,090	834,756	38,666
Licenses and permits	423,963	423,963	637,685	213,722
Fines, forfeitures and penalties	156,000	156,000	179,023	23,023
Public charges for services	32,044	32,044	36,309	4,265
Interdepartmental charges for services	203,526	203,526	197,904	(5,622)
Investment income	49,500	49,500	122,302	72,802
Other revenues	147,685	156,555	154,021	(2,534)
Total Revenues	4,410,670	4,436,845	4,784,943	348,098
EXPENDITURES				
Current				
General government	814,437	814,437	771,287	43,150
Public safety	2,579,397	2,579,397	2,475,218	104,179
Public works	883,671	883,671	842,931	40,740
Health and sanitation	2,800	2,800	2,746	54
Culture, recreation and education	185,372	185,372	171,459	13,913
Conservation and development	259,139	259,139	211,051	48,088
Capital Outlay	25,000	46,500	49,456	(2,956)
Total Expenditures	4,749,816	4,771,316	4,524,148	247,168
Excess (deficiency) of revenues over (under) expenditures	(339,146)	(334,471)	260,795	595,266
OTHER FINANCING SOURCES (USES)				
Transfers in	485,646	985,646	438,051	(547,595)
Transfers out	(146,500)	(654,710)	(509,407)	145,303
Proceeds from sale of capital assets	-	3,535	3,535	-
Total Other Financing Sources (Uses)	339,146	334,471	(67,821)	(402,292)
Net Change in Fund Balance	$ -	$ -	192,974	$ 192,974
FUND BALANCE - Beginning of Year			2,518,193	
FUND BALANCE - END OF YEAR			$ 2,711,167	

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

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - FIRE AND AMBULANCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 218,484	$ 218,484	$ 218,484	$ -
Intergovernmental	6,000	6,000	9,790	3,790
Public charges for services	989,396	989,396	934,513	(54,883)
Intergovernmental charges for services	218,484	218,484	227,892	9,408
Investment income	700	700	1,772	1,072
Miscellaneous	-	-	6,777	6,777
Total Revenues	1,433,064	1,433,064	1,399,228	(33,836)
EXPENDITURES				
Current				
Public safety	1,364,518	1,364,518	1,372,079	(7,561)
Capital Outlay	36,000	36,000	39,425	(3,425)
Total Expenditures	1,400,518	1,400,518	1,411,504	(10,986)
Excess (deficiency) of revenues over (under) expenditures	32,546	32,546	(12,276)	(44,822)
OTHER FINANCING USES				
Transfers In	-	-	9,407	9,407
Proceeds from sale of capital assets	-	-	9,650	9,650
Total Other Financing Sources (Uses)	-	-	19,057	19,057
Net Change in Fund Balance	$ 32,546	$ 32,546	6,781	$ (25,765)
FUND BALANCE - Beginning of Year			118,309	
FUND BALANCE - END OF YEAR			$ 125,090	

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

VILLAGE OF MUKWONAGO

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

WRS Fiscal Year End	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proprotionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.026733910%	$ (656,658)	$ 3,077,565	21.34%	102.74%
12/31/15	0.026568060%	431,726	3,289,656	13.12%	98.20%
12/31/16	0.027133260%	223,643	3,387,425	6.60%	99.12%
12/31/17	0.028578250%	(848,522)	3,605,474	23.53%	102.93%
12/31/18	0.029460650%	1,048,117	3,617,138	28.98%	96.45%

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

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 333,545	$ 333,545	$ -	$ 3,289,656	10.14%
12/31/16	309,468	309,468	-	3,387,425	9.14%
12/31/17	347,820	347,820	-	3,605,475	9.65%
12/31/18	360,953	360,953	-	3,617,356	9.98%
12/31/19	369,628	369,628	-	3,877,945	9.53%

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

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure for the general fund and total expenditures for the fire and ambulance special revenue fund.

WISCONSIN RETIREMENT SYSTEM PENSION

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

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

Changes 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.

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SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF REVENUES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
TAXES				
General property taxes	$ 2,604,077	$ 2,604,077	$ 2,604,139	$ 62
Public accomodation (room) taxes	6,000	6,000	13,457	7,457
Interest and penalties on taxes	9,090	9,090	5,347	(3,743)
Total Taxes	2,619,167	2,619,167	2,622,943	3,776
INTERGOVERNMENTAL REVENUES				
State shared revenues	209,893	209,893	210,553	660
Exempt computer aid	31,203	31,203	31,538	335
State aid - law enforcement improvements	8,080	25,385	35,399	10,014
State aid - general transportation aids	493,643	493,643	493,416	(227)
Other state payments	35,966	35,966	63,850	27,884
Total Intergovernmental Revenues	778,785	796,090	834,756	38,666
LICENSES AND PERMITS				
Other regulatory permits and fees	560	560	660	100
Liquor and malt beverage	16,500	16,500	16,342	(158)
Operators' licenses	8,200	8,200	10,269	2,069
Cigarette licenses	1,400	1,400	1,633	233
Cable television franchise fees	94,940	94,940	100,219	5,279
Bicycle licenses	12	12	1	(11)
Dog and cat licenses	2,868	2,868	2,432	(436)
Nonbusiness licenses	2,851	2,851	3,010	159
Other permits	29,218	29,218	40,488	11,270
Building permits	121,414	121,414	241,826	120,412
Electrical permits	40,000	40,000	58,763	18,763
Plumbing permits	30,000	30,000	40,587	10,587
Occupancy permits	14,000	14,000	33,723	19,723
Zoning permits and fees	7,000	7,000	14,342	7,342
Plan review fees	30,000	30,000	29,887	(113)
Heating and air conditioning permits	25,000	25,000	43,503	18,503
Total Licenses and Permits	423,963	423,963	637,685	213,722

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF REVENUES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
FINES, FORFEITURES AND PENALTIES				
Court fines	$ 140,000	$ 140,000	$ 164,364	$ 24,364
Parking Violations	16,000	16,000	14,659	(1,341)
Total Fines, Forfeitures and Penalties	156,000	156,000	179,023	23,023
PUBLIC CHARGES FOR SERVICES				
Publication fees	540	540	561	21
Photocopies	4,040	4,040	3,441	(599)
Treasurer's fees	8,000	8,000	8,680	680
Law enforcement fees	8,100	8,100	5,367	(2,733)
Fire protection fees	10,000	10,000	15,611	5,611
Other public charges for services	1,364	1,364	2,649	1,285
Total Public Charges for Services	32,044	32,044	36,309	4,265
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - law enforcement services	188,476	188,476	177,803	(10,673)
Local - ambulance services	8,000	8,000	8,052	52
Local - other services	7,050	7,050	12,049	4,999
Total Intergovernmental Charges for Services	203,526	203,526	197,904	(5,622)
INVESTMENT INCOME				
Investment Income	49,500	49,500	122,302	72,802
OTHER REVENUES				
Rent	18,685	18,685	14,554	(4,131)
Miscellaneous revenue	4,000	4,000	5,599	1,599
Donations	125,000	133,870	133,868	(2)
Total Other Revenues	147,685	156,555	154,021	(2,534)
TOTAL REVENUES	$ 4,410,670	$ 4,436,845	$ 4,784,943	$ 348,098

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
CURRENT				
GENERAL GOVERNMENT				
Village board	$ 54,829	$ 54,829	$ 78,078	$ (23,249)
Historical preservation comission	400	400	154	246
Municipal court	43,727	43,727	41,420	2,307
Village attorney	78,780	78,780	94,435	(15,655)
Village administrator	202,999	202,999	169,857	33,142
Village clerk/treasurer	202,128	213,928	209,205	4,723
Elections	22,800	11,000	5,212	5,788
Independent audit	13,000	13,000	11,606	1,394
Assessment of property	19,850	19,850	19,318	532
Risk and property insurance	132,800	132,800	95,364	37,436
Village hall	42,324	42,324	39,429	2,895
Other	-	-	5,797	(5,797)
Board of appeals	800	800	1,412	(612)
Total General Government	814,437	814,437	771,287	43,150
PUBLIC SAFETY				
Police department	2,330,277	2,330,277	2,238,402	91,875
Building inspection	231,025	231,025	215,219	15,806
Emergency government	2,350	2,350	-	2,350
Fire Station	5,803	5,803	14,479	(8,676)
Dam	9,942	9,942	7,118	2,824
Total Public Safety	2,579,397	2,579,397	2,475,218	104,179
PUBLIC WORKS				
Engineering	50,000	50,000	65,214	(15,214)
Public Works Administration	312,951	312,951	283,129	29,822
Machinery operation and maintenance	96,031	96,031	86,706	9,325
Garage and sheds	51,509	51,509	49,093	2,416
Curb and gutter	25,550	25,550	24,043	1,507
Garbage Collection	5,081	5,081	4,252	829
Street signs	14,574	14,574	11,262	3,312
Bridges, culverts, and rivers	5,455	5,455	22	5,433
Street cleaning	16,915	16,915	13,188	3,727
Snow and ice control	117,083	117,083	110,472	6,611
Alleys and local purpose roads	14,465	14,465	14,342	123
Street lighting	159,800	159,800	163,751	(3,951)
Storm sewer maintenance	14,257	14,257	17,457	(3,200)
Total Public Works	883,671	883,671	842,931	40,740

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
CURRENT (continued)				
HEALTH AND HUMAN SERVICES				
Public health services	$ 2,800	$ 2,800	$ 2,746	$ 54
CULTURE, RECREATION AND EDUCATION				
Museum	10,700	10,700	7,517	3,183
Parks	167,790	167,790	158,047	9,743
Celebration and entertainment	6,882	6,882	5,895	987
Total Culture, Recreation and Education	185,372	185,372	171,459	13,913
CONSERVATION AND DEVELOPMENT				
Forestry	46,600	46,600	58,833	(12,233)
Weed control	1,427	1,427	1,006	421
Planning commission	138,186	138,186	95,261	42,925
Economic development	59,926	59,926	44,130	15,796
Environmental protection	13,000	13,000	11,821	1,179
Total Conservation and Development	259,139	259,139	211,051	48,088
CAPITAL OUTLAY				
Capital expenditures	25,000	46,500	49,456	(2,956)
TOTAL EXPENDITURES	$ 4,749,816	$ 4,771,316	$ 4,524,148	$ 247,168

VILLAGE OF MUKWONAGO

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

	Special Revenue Funds			
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund
ASSETS				
Cash and investments	$ 236,784	$ 106,097	$ 209,361	$ 321,151
Receivables:				
Taxes	455,695	318,591	-	-
Accounts	-	49,467	-	-
Prepaid Items	6,108	92	-	-
Total Assets	$ 698,587	$ 474,247	$ 209,361	$ 321,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable	$ 9,252	$ 42,076	$ -	$ -
Accrued liabilities	20,277	-	-	-
Due to other funds	-	-	-	-
Advance from other fund	-	-	-	-
Total Liabilities	29,529	42,076	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Unearned revenue	455,695	318,495	-	-
Total Deferred Inflows of Resources	455,695	318,495	-	-
Fund Balances (deficit)				
Nonspendable	6,108	92	-	-
Restricted	207,255	-	-	-
Committed	-	113,584	209,361	321,151
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	213,363	113,676	209,361	321,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 698,587	$ 474,247	$ 209,361	$ 321,151

		Capital Projects Funds			
Stormwater Fund	Impact Fee Fund	Capital Equipment Fund	Capital Project Fund	Tax Incremental District No. 4 Fund	Total Nonmajor Governmental Funds
$ 50,789	$ 252,621	$ 355,602	$ 2,402,865	$ -	$ 3,935,270
-	-	106,080	-	40,536	920,902
7,968	-	-	-	-	57,435
641	-	-	-	-	6,841
$ 59,398	$ 252,621	$ 461,682	$ 2,402,865	$ 40,536	$ 4,920,448
$ 245	$ -	$ 46,888	$ 193,347	$ -	$ 291,808
163	-	-	-	-	20,440
-	-	-	-	11,279	11,279
-	-	-	-	39,323	39,323
408	-	46,888	193,347	50,602	362,850
-	-	-	-	-	-
-	-	106,080	-	40,536	920,806
-	-	106,080	-	40,536	920,806
641	-	-	-	-	6,841
58,349	252,621	-	-	-	518,225
-	-	308,714	2,209,518	-	3,162,328
-	-	-	-	(50,602)	(50,602)
58,990	252,621	308,714	2,209,518	(50,602)	3,636,792
$ 59,398	$ 252,621	$ 461,682	$ 2,402,865	$ 40,536	$ 4,920,448

VILLAGE OF MUKWONAGO

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

	Special Revenue Funds			
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund
REVENUES				
Taxes	$ 446,760	$ 312,236	$ -	$ -
Special assessments	-	-	-	-
Intergovernmental	502,554	22,198	-	-
Licenses and permits	-	-	-	54,663
Public charges for services	33,846	197,471	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	7,541	6,066	-	6,284
Other revenues	131,836	-	115,000	20,000
Total revenues	1,122,537	537,971	115,000	80,947
EXPENDITURES				
Current				
General government	-	-	-	-
Public works	-	523,306		2,293
Culture, recreation and education	982,911	-	-	-
Conservation and development	-	-	-	
Capital Outlay	107,509	-	-	3,500
Debt Service				
Interest and fees	-	-	-	-
Total expenditures	1,090,420	523,306	-	5,793
Excess (deficiency) of revenues over expenditures	32,117	14,665	115,000	75,154
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	32,117	14,665	115,000	75,154
FUND BALANCES (DEFICIT) - Beginning of Year	181,246	99,011	94,361	245,997
FUND BALANCES (DEFICIT) - END OF YEAR	$ 213,363	$ 113,676	$ 209,361	$ 321,151

	Stormwater Fund	Impact Fee Fund	Capital Projects Funds: Capital Equipment Fund	Capital Project Fund	Tax Incremental District No. 4 Fund	Total Nonmajor Governmental Funds
	$ -	$ -	$ 104,000	$ -	$ 37,268	$ 900,264
	-	-	-	-	-	-
	-	-	-	24,730	-	549,482
	32,789	234,334	-	-	-	321,786
	-	-	-	-	-	231,317
	-	-	107,529	-	-	107,529
	1,058	4,440	8,579	63,885	1,829	99,682
	-	-	-	-	-	266,836
	33,847	238,774	220,108	88,615	39,097	2,476,896
	-	-	1,829	320	83,734	85,883
	21,442	172	-	-	29,487	576,700
	-	-	-	-		982,911
	-	-		-	336	336
	-	-	675,046	990,619	90,182	1,866,856
	-	-	12,150	37,688	3,375	53,213
	21,442	172	689,025	1,028,627	207,114	3,565,899
	12,405	238,602	(468,917)	(940,012)	(168,017)	(1,089,003)
	-	-	-	-	-	-
	-	(125,000)	-	-	-	(125,000)
	-	-	540,000	1,675,000	150,000	2,365,000
	-	-	22,958	71,213	6,377	100,548
	-	-	18,010	-	-	18,010
	-	(125,000)	580,968	1,746,213	156,377	2,358,558
	12,405	113,602	112,051	806,201	(11,640)	1,269,555
	46,585	139,019	196,663	1,403,317	(38,962)	2,367,237
	$ 58,990	$ 252,621	$ 308,714	$ 2,209,518	$ (50,602)	$ 3,636,792

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APPENDIX B

PROPOSED FORMS OF LEGAL OPINIONS

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

May 19, 2021

Re: Village of Mukwonago, Wisconsin ("Issuer")
$7,700,000 General Obligation Refunding Bonds, Series 2021A,
dated May 19, 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 June 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2022	$385,000	___%
2023	390,000	___
2024	400,000	___
2025	410,000	___
2026	415,000	___
2027	425,000	___
2028	435,000	___
2029	440,000	___
2030	450,000	___
2031	460,000	___
2032	470,000	___
2033	480,000	___
2034	485,000	___
2035	495,000	___
2036	505,000	___
2037	520,000	___
2038	535,000	___

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

The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2030 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

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

May 19, 2021

Re: Village of Mukwonago, Wisconsin ("Issuer")
$5,000,000 General Obligation Promissory Notes, Series 2021B,
dated May 19, 2021 ("Notes")

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

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

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

Year	Principal Amount	Interest Rate
2022	$ 300,000	___%
2023	400,000	___
2024	100,000	___
2025	100,000	___
2026	100,000	___
2027	300,000	___
2028	700,000	___
2029	500,000	___
2030	1,250,000	___
2031	1,250,000	___

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

The Notes maturing on April 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2028 or on any date thereafter. Said Notes 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 Notes maturing in the years _______________ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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APPENDIX C

PROPOSED FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of $7,700,000 General Obligation Refunding Bonds, Series 2021A, dated May 19, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 5, 2021 (the "Resolution") and delivered to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Official Statement dated May 5, 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 Mukwonago, Waukesha and Walworth Counties, 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 Village Hall, 440 River Crest Court, Mukwonago, Wisconsin 53149, phone (262) 363-6420, fax (262) 363-6425.

"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 270 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 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. VILLAGE DEBT STRUCTURE - Outstanding General Obligation Debt Summary
2. VILLAGE DEBT STRUCTURE - Outstanding Waterworks System and Sewerage System Revenue Debt Summary
3. VILLAGE DEBT STRUCTURE - Debt Ratios (including Equalized Value)

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 19th day of May, 2021.

____

Fred Winchowky
President

(SEAL)

____

Diana Dykstra
Village Clerk/Treasurer

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of $5,000,000 General Obligation Promissory Notes, Series 2021B, dated May 19, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 5, 2021 (the "Resolution") and delivered to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Official Statement dated May 5, 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.

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"Issuer" means the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin, which is the obligated person with respect to the Securities.

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"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 270 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 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. VILLAGE DEBT STRUCTURE - Outstanding General Obligation Debt Summary
2. VILLAGE DEBT STRUCTURE - Outstanding Waterworks System and Sewerage System Revenue Debt Summary
3. VILLAGE DEBT STRUCTURE - Debt Ratios (including Equalized Value)

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 19th day of May, 2021.

____
Fred Winchowky
President

(SEAL)

____
Diana Dykstra
Village Clerk/Treasurer

S&P Global
Ratings

RatingsDirect®

Summary:

Mukwonago Village, Wisconsin; General Obligation; Note

Primary Credit Analyst:
Emma Drilias, Chicago (1) 312-233-7132; emma.drilias@spglobal.com

Secondary Contact:
Andrew J Truckenmiller, Chicago + 1 (312) 233 7032; andrew.truckenmiller@spglobal.com

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Summary:

Mukwonago Village, Wisconsin; General Obligation; Note

Credit Profile		
US$7.7 mil GO rfdg bnds ser 2021A dtd 05/19/2021 due 06/01/2038		
Long Term Rating	AA/Stable	New
US$5.0 mil GO prom nts ser 2021B dtd 05/19/2021 due 04/01/2031		
Long Term Rating	AA/Stable	New
Mukwonago Vill GO		
Long Term Rating	AA/Stable	Affirmed
Mukwonago Vill GO prom nts		
Long Term Rating	AA/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA' long-term rating to the Village of Mukwonago, Wis.' $7.7 million series 2021A general obligation (GO) refunding bonds and $5 million series 2021B GO promissory notes. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on the village's GO debt outstanding and its 'AA-' long-term rating on the village's note anticipation note (NAN) that is subject to appropriation. The outlook is stable.

The village's unlimited-tax GO pledge secures the series 2021A bonds and 2021B notes. Officials will use series 2021A bond proceeds to current-refund the village's series 2018D waterworks and sewerage system revenue bond anticipation note (BAN). Series 2021B note proceeds will be used to finance projects in the village's 2021 capital improvement plan.

Under our criteria, "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," published Nov. 20, 2019, the rating on the village's series 2018A taxable NAN is one notch lower than the village's general creditworthiness, as reflected in the GO rating, because of the appropriation risk associated with debt service payments. The NAN is secured by proceeds on the NAN set aside for interest payments as they become due and by proceeds from the future issuance of GO promissory notes, which the village has covenanted to issue. Interest on the NAN is capitalized and paid semiannually until it is refunded.

Credit overview

Mukwonago is a small village southwest of Milwaukee in the Milwaukee-Waukesha-West Allis metropolitan statistical area (MSA). The village is expecting notable growth in the coming years due to several large developments, including a hospital and a mixed-use complex, that are currently underway. The village has historically produced general fund surpluses and maintains very strong reserves due to conservative budgeting practices that we expect will continue. Mukwonago has withstood negative financial implications of the COVID-19 pandemic and recent recession primarily because of its forward-looking management team and the overall stability of the village's revenue composition, which relies primarily on property taxes. For fiscal years 2020 and 2021, the village projects breakeven-to-surplus results consistent with the historical trend. For S&P Global Economics' latest forecast, see "Economic Outlook U.S. Q2 2021: Let The Good Times Roll," published March 24, 2021, on RatingsDirect.

The rating reflects our assessment of the village's:

- Strong economy, with access to a broad and diverse MSA;
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with an operating surplus in the general fund but an operating deficit at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 52% of operating expenditures;
- Very strong liquidity, with total government available cash at 110.3% of total governmental fund expenditures and 4.0x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability profile, with debt service carrying charges at 27.5% of expenditures and net direct debt that is 351.7% of total governmental fund revenue, but rapid amortization, with 87.4% of debt scheduled to be retired in 10 years; and
- Adequate institutional framework score.

Environmental, social, and governance (ESG) factors

We analyzed Mukwonago's ESG risks relative to the village's economy, management, financial measures, and debt and liability profile and determined all are in line with our view of the sector standard.

Stable Outlook

Upside scenario

We could raise the rating if Mukwonago sustains improved economic characteristics, with moderation to the village's debt burden.

Downside scenario

We could lower the rating if Mukwonago's budgetary performance weakens, resulting in a lower available reserve position. We could also lower the rating if the village's debt levels increase substantially, pressuring Mukwonago's tax base and budget.

Credit Opinion

Strong economy

We consider Mukwonago's economy strong. The village, with an estimated population of 8,062, is located in Walworth and Waukesha counties in the Milwaukee-Waukesha-West Allis MSA, which we consider to be broad and diverse. The village has a projected per capita effective buying income of 106.0% of the national level and per capita market value of $123,170. Overall, the village's market value grew by 7.2% in 2019 to $993.0 million in 2020.

Mukwonago is 30 miles southwest of Milwaukee, with a tax base that is predominantly residential (67%) and with some commercial (25%). In our view, Mukwonago's participation in the Milwaukee MSA supports the village's good incomes and extremely strong per capita market value. We consider the village's top 10 taxpayers very diverse, as they represent 12% of the village's tax base.

In recent years, the village has experienced notable growth spurred by new property development, including several small commercial businesses, residential projects; and a large-scale, mixed-use development that is expected to add $50 million of new taxable value once fully built over the next 10 years. Management indicates the pandemic and recent recession's impact on area employers and taxpayers has been limited, and most local businesses have maintained or resumed operations. Construction of a $55 million hospital in the village was temporarily paused in 2020 because of the pandemic but has since resumed, with an anticipated opening in late 2021 or early 2022. The area unemployment rate peaked at 11.7% in April 2020, and averaged 6.1% throughout the year, slightly below the statewide average annual rate of 6.3%.

Strong management

We view the village's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

In developing the annual budget, Mukwonago uses at least three years of historical data for revenue and expenditure assumptions. Management provides monthly reports on budget-to-actual results to the board, and the board has the ability to amend the budget as needed. Mukwonago does not maintain a long-term financial plan. However, it has a five-year, long-term capital improvement that it updates annually with funding sources identified. Mukwonago has an investment management policy, and it provides monthly investment performance reports to the board. The village also maintains a debt management policy that provides restrictions on issuing certain debt types. In addition, its general fund policy allots 25% of the ensuing year's budgeted expenditures for cash flow, which it complies with currently.

Adequate budgetary performance

Mukwonago's budgetary performance is adequate in our opinion. The village had surplus operating results in the general fund of 3.8% of expenditures, but a deficit result across all governmental funds 3.0% in fiscal 2019. General fund operating results have been stable, at 3.0% in 2018 and 5.6% in 2017.

We made adjustments for recurring transfers and for the spending of bond proceeds to assess Mukwonago's recent budgetary performance. After these adjustments, Mukwonago reported slight annual general fund surpluses since fiscal 2017. The general fund benefits from a revenue structure that has historically been stable and predictable, consisting primarily of property taxes (55%), intergovernmental aid (18%), and licenses and permits (13%). Management indicates these major revenues were not significantly affected by the pandemic and resulting recession. Based on unaudited results, management expects to report a $282,000 general fund surplus for fiscal 2020 year-end. The fiscal 2021 budget reflects a breakeven general fund result while maintaining conservative revenue to hedge against potential ongoing pandemic or recessionary effects. Management anticipates the village will receive $800,000 of stimulus funding under the American Rescue Plan to be used for non-recurring costs over upcoming years. We expect the village will maintain balanced operations similar to historical performance.

Very strong budgetary flexibility

Mukwonago's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 52% of operating expenditures, or $2.6 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Based on the projected fiscal 2020 surplus and 2021 breakeven budget, we expect Mukwonago's reserve levels will remain very strong.

Very strong liquidity

In our opinion, Mukwonago's liquidity is very strong, with total government available cash at 110.3% of total governmental fund expenditures and 4.0x governmental debt service in 2019. In our view, the village has strong access to external liquidity if necessary.

Mukwonago had $12.5 million in cash and investments considered liquid at 2019 year-end. Assuming no significant deterioration to the village's budgetary performance, we do not expect Mukwonago's cash position, with respect to total governmental expenditures and debt service, will change significantly and anticipate it will remain very strong. Management has confirmed that the village does not have any privately placed or direct-purchase debt. The village primarily invests in local bank funds and the Wisconsin Local Government Investment Pool, which we do not consider aggressive.

Weak debt and contingent liability profile

In our view, Mukwonago's debt and contingent liability profile is weak. Total governmental fund debt service is 27.5% of total governmental fund expenditures, and net direct debt is 351.7% of total governmental fund revenue. Approximately 87.4% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

Mukwonago's debt service carrying charge as a percent of total governmental fund expenditures is high. The village's debt amortization is currently considered rapid, in part due to several NANs and BANs that will become due in 2021 and 2022. We anticipate the village's debt amortization will slow over the upcoming years, depending on how the future takeout bonds for these NANs and BANs are amortized. Officials currently plan to issue approximately $2 million of new GO debt over the next two years fund capital projects, though we do not anticipate its debt profile will weaken as a result.

Pension and other postemployment benefits

The village's pension costs are modest as a share of total spending and are not likely to accelerate significantly in the medium term, especially given the pension plan's strong funded status. Mukwonago offers no other postemployment benefits. It participates in the Wisconsin Retirement System (WRS), a multiple-employer, defined-benefit pension plan that, in recent years, has been among the best-funded multiple-employer pension plans in the country. WRS was 103% funded (as of Dec. 31, 2019), with a village proportionate share of the plan's net pension asset estimated at $950,000.

In 2019, Mukwonago's pension contributions totaled 2.7% of total governmental fund expenditures and the village made its full required pension contribution. Contributions to WRS are actuarially based, and the village funds 100% of its required contribution each year. The plan investment rate of return assumption was lowered to 7.0% from 7.2% in late 2018. While the revised return assumption exceeds our 6.0% guidelines, exposure to market volatility is mitigated because the plan employs a shared risk model where investment performance fluctuations are offset by changes in active employee contributions and in adjustments in benefit payments. Because of these features, we expect contributions will remain relatively stable, and, given the plan's strong funded status and strong contribution practices, we expect contributions will remain affordable.

Adequate institutional framework

The institutional framework score for Wisconsin cities and villages with a population less than 25,000 is adequate.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2020 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of April 28, 2021)		
Mukwonago Vill taxable note antic nts		
Long Term Rating	AA-/Stable	Affirmed
Short Term Rating	NR	Affirmed
Mukwonago Vill taxable GO prom nts		
Long Term Rating	AA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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S&P Global Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 1661263

April 28, 2021

Village of Mukwonago
440 River Crest Court
Mukwonago, WI 53149
Attention: Ms. Diana Doherty, Finance Director

Re: ***US$7,700,000 Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin, General Obligation Refunding Bonds, Series 2021A, dated: May 19, 2021, due: June 01, 2038***

Dear Ms. Doherty:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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a division of Standard & Poor's Financial Services LLC

kh

enclosures

cc: ***Ms. Debra L. Opgenorth***
Mr. Jeffery G. Belongia

S&P Global Ratings

S&P Global Ratings
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RESOLUTION NO. 2021-35

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
$5,000,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021B

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Village") to raise funds for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan (the "Project");

WHEREAS, the Village Board hereby finds and determines that the Project is within the Village's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the Village is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes; and

WHEREAS, it is the finding of the Village Board that it is necessary, desirable and in the best interest of the Village to sell such general obligation promissory notes to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser"), pursuant to the terms and conditions of its note purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal").

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1. Authorization and Sale of the Notes. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of FIVE MILLION DOLLARS ($5,000,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the President and Village Clerk or other appropriate officers of the Village are authorized and directed to execute an acceptance of the Proposal on behalf of the Village. To evidence the obligation of the Village, the President and Village Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Village, the general obligation promissory notes aggregating the principal amount of FIVE MILLION DOLLARS ($5,000,000) (the "Notes") for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2021B"; shall be issued in the aggregate principal amount of $5,000,000; shall be dated May 19, 2021; shall be in the denomination of $5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on April 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2022. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Notes maturing on April 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[If the Proposal specifies that any of the Notes are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Notes subject to mandatory redemption, the principal amount of such Notes so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Notes in such manner as the Village shall direct.]

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the Village are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Village a direct annual irrepealable tax in the years 2021 through 2030 for the payments due in the years 2022 through 2031 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the Village shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried onto the tax roll of the Village and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Village for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the Village then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the Village, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the Village may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2021B" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the Village at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the Village above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the Village, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the Village, unless the Village Board directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the Village and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the Village, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The Village represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The Village further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The Village further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the Village certifying that the Village can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Village also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the Village will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the Village by the manual or facsimile signatures of the President and Village Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the

Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the Village has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Village hereby authorizes the officers and agents of the Village to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 11. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the Village's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Village hereby authorizes the President and Village Clerk or other appropriate officers of the Village to enter a Fiscal Agency Agreement between the Village and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes.

Section 12. Persons Treated as Owners; Transfer of Notes. The Village shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the President and Village Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

The Village shall cooperate in any such transfer, and the President and Village Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.

Section 13. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Village at the close of business on the Record Date.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Village agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the Village Clerk or other authorized representative of the Village is authorized and directed to execute and deliver to DTC on behalf of the Village to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the Village Clerk's office.

Section 15. Official Statement. The Village Board hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the Village in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate Village official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The Village Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 16. Undertaking to Provide Continuing Disclosure. The Village hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the Village to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the President and Village Clerk, or other officer of the Village charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Village's Undertaking.

Section 17. Record Book. The Village Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

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Section 18. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the Village are authorized to take all actions necessary to obtain such municipal bond insurance. The President and Village Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the President and Village Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 19. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded May 5, 2021.

____
Fred Winchowky
President

ATTEST:

____
Diana Dykstra
Village Clerk

(SEAL)

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EXHIBIT A

Note Purchase Proposal

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-1

Pricing Summary

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by the Purchaser and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Notes due on April 1, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on April 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on April 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on April 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on April 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on April 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)]

DRAFT

EXHIBIT C

(Form of Note)

UNITED STATES OF AMERICA

REGISTERED	STATE OF WISCONSIN	DOLLARS
	WAUKESHA AND WALWORTH COUNTIES	
NO. R-___	VILLAGE OF MUKWONAGO	$_______

GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2021B

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
April 1, _____	May 19, 2021	____%	______

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: ______________________ THOUSAND DOLLARS
($__________)

FOR VALUE RECEIVED, the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Village"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2022 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Village are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of $5,000,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the Village pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan, as authorized by a resolution adopted on May 5, 2021. Said resolution is recorded in the official minutes of the Village Board for said date.

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The Notes maturing on April 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Village, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Village, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note is transferable only upon the books of the Village kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the Village appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the Village for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and Village may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of $5,000 or any integral multiple thereof.

This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified President and Village Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES,
WISCONSIN

By: ______________________________
Fred Winchowky
President

(SEAL)

By: ______________________________
Diana Dykstra
Village Clerk

DRAFT

QB\67997899.1

Date of Authentication: _______________, ______

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned resolution of the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin.

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION,
GREEN BAY, WISCONSIN

By____________________________
Authorized Signatory

DRAFT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____

(Name and Address of Assignee)

____

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints ___________________________________, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

____
(e.g. Bank, Trust Company or Securities Firm)

____
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

____
(Authorized Officer)

Private Activity and Other Tax Matters Questionnaire

Village of Mukwonago, Wisconsin ("Issuer")
General Obligation Promissory Notes, Series 2021B ("Obligations")

In anticipation of the Issuer's upcoming borrowing, we ask that you answer the questions below which will help us determine whether the borrowing qualifies for tax-exempt financing and what special treatment the Issuer or Obligations may qualify for under the Internal Revenue Code (the "Code") and applicable Treasury Regulations (the "Regulations"). Please direct any questions to any of the Public Finance attorneys at Quarles & Brady LLP at 414-277-5000.

I. **Private Activity:** Subject to specific exceptions provided for in the Code, the interest on municipal obligations which finance private activities or provide special benefits to private entities is taxable. Please note that for purposes of this questionnaire, a **"Non-Governmental Entity"** means any person, partnership, corporation or other organization that is not a state, city, village, town, county, school district, technical college district or other special district or joint powers authority. The federal government is a Non-Governmental Entity. A 501(c)(3) organization is also a Non-Governmental Entity.

1. Description of the project(s) to be financed or refinanced with the proceeds of the Obligations: projects included in the Village's 2021 Capital Improvement Plan (see attached project list) (collectively, the "Project").

☐ YES ☐ NO — Does the above description accurately and completely describe the project(s) to be financed with proceeds of the Obligations? **If NO, please make appropriate changes in the language above.**

☐ YES ☐ NO — 2. Will any portion of the Project be owned by, or leased (or subleased) to, or sold to a Non-Governmental Entity? **If YES, attach a description of the planned sale or lease.**

☐ YES ☐ NO — 3. Will any portion of the Project be managed (pursuant to a management contract or incentive payment contract) by a Non-Governmental Entity? **If YES, attach a copy of the operating or management contract.**

☐ YES ☐ NO — 4. Will any portion of the Project be used for research or testing pursuant to an agreement with a Non-Governmental Entity? **If YES, attach a copy of the agreement.**

☐ YES ☐ NO

5. Will any Non-Governmental Entity have a right to use the Project or purchase output from the Project through any procedure or contract which gives preference to that customer over any other? **If YES, attach a description of the arrangement that includes the following:**

   a. **Customer name.**

   b. **Percentage of annual revenue of the Project attributable to the customer.**

☐ YES ☐ NO

6. Are there or will there be any informal agreements, historical arrangements, or other arrangements, written or oral, that convey special legal entitlements to a Non-Governmental Entity, such as granting priority rights or capacity rights to use the Project or granting naming rights to the Project? **If YES, attach a description of the arrangement.**

☐ YES ☐ NO

7. Will any Non-Governmental Entity, receive a special economic benefit from the Project, such as what might occur if the Project is not available for general public use and is functionally related to property used in the trade or business of a Non-Governmental Entity or benefits a small number of nongovernmental persons? **If YES, attach a description of the arrangement.**

☐ YES ☐ NO

8. a. Is there any portion of the Project that is used by private entities or organizations rather than by members of the general public or by employees (or, in the case of school facilities, students) of the Issuer? **If YES, please attach a description of such use.**

☐ YES ☐ NO

   b. Do all members of the general public who use the Project use it on the same basis (for example, a "first come, first served" basis or pursuant to a standard rate schedule)? **If NO, please attach a description of the basis of the use of the project.**

☐ YES ☐ NO

9. Are there any contracts for incidental uses of the Project (e.g., pay telephones, vending machines, newsstands, etc.) by Non-Governmental Entities? **If YES, attach a description of the contracts.**

☐ YES ☐ NO

10. Will any portion of the proceeds from the proposed borrowing be loaned to any other person or entity? **If YES, attach a description of the loan program.**

☐ YES ☐ NO

11. Will a Non-Governmental Entity make payments to the municipality for use of the Project in a manner other than through uniformly applied rates or generally applied taxes? **If YES, attach a description of the payment obligation.**

☐ YES ☐ NO

12. Is the payment of any portion of the debt service on the proposed issue secured (directly or indirectly) by a guarantee from a Non-Governmental Entity or a pledge of private property, pursuant to a development agreement or other arrangement? **If YES, attach a description of the agreement or arrangement.**

☐ YES ☐ NO

13. Is any of the Project or portion of the Project expected to be sold or otherwise disposed of before the last maturity date of the Obligations and any anticipated refinancings thereof?

☐ YES ☐ NO

14. Are there any other facts and circumstances regarding the construction, operation, or use of the project by a Non-Governmental Entity? Please describe: ____________________
____
____
____

II. **Reimbursement:** Subject to specific exceptions provided for in the Regulations (the "Reimbursement Regulations"), the interest on municipal obligations which reimburse prior expenditures is taxable. By answering the questions below, you will assist us in determining whether the Reimbursement Regulations have been followed.

☐ YES ☐ NO

1. Have any of the costs of the Project been paid prior to the date hereof? **If YES, please list the amount, purpose and date of payment of those previous expenditures which you expect to reimburse with proceeds of the Obligations:**

Amount	Date of Payment	Purpose
$__________	__________	__________
__________	__________	__________
__________	__________	__________
__________	__________	__________
__________	__________	__________
__________	__________	__________
__________	__________	__________

☐ YES ☐ NO

2. If the answer to Question 1 above is "yes," has the governing body at any time adopted a resolution authorizing borrowing for the Project or declaring intent to reimburse or made a declaration of its intent pursuant to a resolution delegating authority to make declarations of intent to finance all or a portion of the Project with the proceeds of the Obligations or other borrowed money? **If YES, attach a copy of applicable Resolution or other evidence of declaration of official intent and indicate the date of its adoption or indicate such Resolution has been provided previously to Quarles & Brady LLP.**

III. **Project Timeline:** Generally, the IRS arbitrage rules found in the Code and Regulations limit the investment of the proceeds of tax-exempt obligations. However, if certain tests are met, the proceeds are permitted to be invested for a "temporary period". By answering the questions below, we will be able to determine whether the proceeds of the Obligations qualify for a temporary period.

☐ YES ☐ NO

1. Have you previously or will you within six months enter into contracts requiring payment of at least 5% of the proceeds of the Obligations for the Project?

☐ YES ☐ NO

2. Have you or will you commence work on the Project and continue to work on the Project until it is complete?

☐ YES ☐ NO

3. Do you expect to spend all of the proceeds of the Obligations for the Project within three years?

IV. **Rebate of Investment Earnings:** The basic IRS rebate requirement is that an issuer of tax-exempt obligations must pay to the United States the amount by which the investment earnings on the gross proceeds of any borrowings exceed the amount which would have been earned if the proceeds were invested at the yield on those obligations, plus any earnings on such excess. The rebate amount is required to be calculated and paid to the United States at least every five years. However, there are several exceptions to the rebate requirement. By answering the questions below, we will be able to determine whether you might qualify for an exception. Note: the exceptions to rebate are based on actual facts, not expectations, so the determination of whether an exception applies will only be certain at a future time.

☒ YES ☐ NO

1. Small Issuer Exception: Do you expect to issue more than $5 million of tax-exempt obligations during the current calendar year?

☐ YES ☐ NO

2. Six Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 6 months?

☐ YES ☐ NO

3. Eighteen Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 18 months pursuant to the following schedule:

   a. at least 15% within six months of the date of issue;

   b. at least 60% within 12 months of the date of issue; and,

   c. 100% within 18 months of the date of issue?

4. Two Year Expenditure Exception.

☐ YES ☐ NO

   a. Are at least 75% of the proceeds of the Obligations to be used to finance construction expenditures?

☐ YES ☐ NO

   b. If the answer to 4(a) is "yes", do you expect to spend the proceeds of the Obligations within 2 years pursuant to the following schedule:

      (1) 10% within the six-month period beginning on the date the obligations were issued;

      (2) 45% within the one-year period beginning on the date the obligations were issued;

      (3) 75% within the eighteen-month period beginning on the date the obligations were issued; and,

      (4) 100% within the two-year period beginning on the date the obligations were issued.

ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Issuer, and that I am authorized by the Issuer to execute this Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, refinancing, construction, acquisition and/or improvement of the Project, and I am acting on behalf of the Issuer in executing this Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these responses or attached documentation. I understand the foregoing will be relied upon by Quarles & Brady LLP in determining the tax-exempt status of the Obligations.

Prepared and submitted by:

____

Name:______________________________

Title:_______________________________

Phone:______________________________

Village of Mukwonago, Wisconsin

Date:_______________________________

Village of Mukwonago 2021-2025 Capital Plan
Pivot 4 - by Year, Funding Source, Department

Row Labels	Equipment or Name of Capital Improvement Project	Sum of TID	Sum of Village	Sum of Town Share of Fire Dept. Equipment Only	Sum of Water	Sum of Sewer	Sum of Total Cost (Calculated Field)
2021							
Debt							
200							
Development	Deback Dr.		1,391,000				1,391,000
200 Total			1,391,000				1,391,000
430							
DPW-Other	Replace rooftop furnaces/air conditioners at Fire Station 1		60,000				60,000
	Message Center Sign Fire Dept		80,000				80,000
Fire	Tender 3492 Replacement		370,000	370,000			740,000
Police	Squads & equipment		100,000				100,000
	Pedestrian Crosswalk Safety		40,000				40,000
430 Total			650,000	370,000			1,020,000
480							
DPW-Other	Repair concrete, Fire St 1		30,000				30,000
	Purchase Land for future DPW Expansion		500,000				500,000
DPW-PARKS	Indianhead Park - Stage		750,000				750,000
	Miniwauken Additional Restrooms		200,000				200,000
	Trail and foot bridge over the Fox River on CTH ES		590,460				590,460
DPW-Roads	Road Maintenance Program		200,000				200,000
	Jefferson Ave, Andrews & Field St. Mill, Shape & Repave		620,127				620,127
DSPSC	Downtown Wayfinding & Streetscaping		100,000				100,000
480 Total			2,990,587				2,990,587
620							
Sewer	Atkinson Lift Sta. Upgrade and Backup lift sta.					400,000	400,000

Village of Mukwonago 2021-2025 Capital Plan
Pivot 4 - by Year, Funding Source, Department

Row Labels	Equipment or Name of Capital Improvement Project	Sum of TID	Sum of Village	Sum of Town Share of Fire Dept. Equipment Only	Sum of Water	Sum of Sewer	Sum of Total Cost (Calculated Field)
620 Total							
						400,000	400,000
Debt Total							
			5,031,587	370,000		400,000	5,801,587
2021 Total							
			5,031,587	370,000		400,000	5,801,587
Grand Total							
			5,031,587	370,000		400,000	5,801,587

This Preliminary Official Statement and the information contained herein are subject to completion or 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.

NEW ISSUES (BOOK ENTRY ONLY)	INVESTMENT RATING REQUESTED
NOT BANK QUALIFIED	S&P GLOBAL RATINGS

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 Securities is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "LEGAL MATTERS - Tax Exemption" herein for a more detailed discussion of some of the federal income tax consequences of owning the Securities. The interest on the Securities is not exempt from present Wisconsin income or franchise taxes. The Securities are NOT "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code.

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN
$7,700,000* General Obligation Refunding Bonds, Series 2021A
$5,000,000 General Obligation Promissory Notes, Series 2021B

Dated: May 19, 2021 Due: As shown herein

The Bonds

The $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds") are being issued pursuant to Chapter 67 of the Wisconsin Statutes. The Bonds will be general obligations of the Village of Mukwonago, Wisconsin (the "Village") for which its full faith, credit and resources are pledged. The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018 (the "2018 Notes"). See "THE BONDS - Obligations to be Refunded" herein.

Principal of the Bonds, payable annually each June 1, commencing June 1, 2022 through 2038 and interest, payable each June 1 and December 1, commencing December 1, 2021, will be paid to DTC (defined below), which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Notes

The $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes") are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Village for which its full faith, credit and resources are pledged. The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.

Principal of the Notes, payable annually each April 1, commencing April 1, 2022 through 2031 and interest, payable each April 1 and October 1, commencing April 1, 2022, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Notes as described herein.

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Securities

The Bonds and Notes (together, the "Securities") will be issued as fully registered obligations without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Securities. Individual purchases may be made in book entry form only, in denominations of $5,000 or more. Purchasers will not receive certificates representing their interest in the Securities purchased. Associated Trust Company, National Association, will act as registrar and fiscal agent for the Securities.

The Securities are offered when, as and if issued, subject to the receipt of the approving opinions of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also serve as Disclosure Counsel for the Village. The Securities will be available for delivery on or about May 19, 2021, through the facilities of DTC in New York, New York.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS ***NOT*** A SUMMARY OF THESE ISSUES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

Huntington Capital Markets

*Preliminary, subject to change.

MATURITY SCHEDULES

$7,700,000* General Obligation Refunding Bonds, Series 2021A
Dated: May 19, 2021
Due: June 1, 2022 through 2038

The Bonds will mature June 1, as follows:

Year	Amount	Rate	Yield	CUSIP No.[1] 625064	Year	Amount	Rate	Yield	CUSIP No.[1] 625064
2022	$385,000	%	%		2031	$460,000	%	%	
2023	390,000				2032	470,000			
2024	400,000				2033	480,000			
2025	410,000				2034	485,000			
2026	415,000				2035	495,000			
2027	425,000				2036	505,000			
2028	435,000				2037	520,000			
2029	440,000				2038	535,000			
2030	450,000								

Principal of the Bonds, payable annually each June 1, commencing June 1, 2022 through 2038 and interest, payable each June 1 and December 1, commencing December 1, 2021, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

$5,000,000 General Obligation Promissory Notes, Series 2021B
Dated: May 19, 2021
Due: April 1, 2022 through 2031

The Notes will mature April 1, as follows:

Year	Amount*	Rate	Yield	CUSIP No.[1] 625064	Year	Amount*	Rate	Yield	CUSIP No.[1] 625064
2022	$300,000	%	%		2027	$ 300,000	%	%	
2023	400,000				2028	700,000			
2024	100,000				2029	500,000			
2025	100,000				2030	1,250,000			
2026	100,000				2031	1,250,000			

Principal of the Notes, payable annually each April 1, commencing April 1, 2022 through 2031 and interest, payable each April 1 and October 1, commencing April 1, 2022, will be paid to DTC, which will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Notes as described herein.

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

*Preliminary, subject to change.

(1) See “CUSIP INFORMATION” herein.

Unless otherwise indicated, information contained in this Official Statement is based upon material provided by the Village of Mukwonago, Wisconsin (the "Village") and available at the date of publication of the Official Statement. Certain information contained herein has been obtained from sources other than records of the Village, and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than as contained in this Official Statement in connection with the offering of the Securities and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the operations of the Village since the date of this Official Statement.

The Securities have not been registered pursuant to the Securities Act of 1933, in reliance upon exemptions contained in such Act.

This Official Statement is in a form deemed final by the Village for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under Rule 15c2-12(b)(1)).

TABLE OF CONTENTS

VILLAGE OF MUKWONAGO
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN

VILLAGE BOARD

Name	Position on Board	Term Expires
Fred Winchowky	President	April, 2022
Roger Walsh	Trustee	April, 2022
Darlene Johnson	Trustee	April, 2024
Eric Brill	Trustee	April, 2024
James Decker	Trustee	April, 2022
Daniel J. Adler	Trustee	April, 2023
John O. Meiners	Trustee	April, 2023

VILLAGE ADMINISTRATION

Vacant, Administrator (1)
Diana Dykstra, Clerk/Treasurer
Diana Doherty, Finance Director
Linda Gourdoux, Deputy Clerk/Treasurer
Mark G. Blum, Village Attorney

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Quarles & Brady LLP
Milwaukee, Wisconsin

UNDERWRITER

Huntington Capital Markets
Waukesha, Wisconsin

REGISTRAR AND FISCAL AGENT

Associated Trust Company, National Association,
Green Bay, Wisconsin

(1) The Administrator position is currently vacant. In the interim, department heads are working with their specific committee chairs until further decisions for a replacement are made.

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SUMMARY - THE BONDS

This is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement and all such documents.

Issuer	Village of Mukwonago, Wisconsin
Issue	$7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds")
Dated Date	May 19, 2021
Principal Due	June 1, 2022 through 2038.
Interest Payment Date	Semi-annually each June 1 and December 1, commencing December 1, 2021. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.
Redemption Provisions	The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.
Purpose	The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018. See "THE BONDS - Obligations to be Refunded" herein.
Security	The Village pledges its full faith, credit and resources and there will be levied on all the taxable property in the Village a direct, annual, irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Bonds.
Authority	The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, and an authorizing resolution to be adopted by the Village Board on May 5, 2021.
Tax Exemption	Interest on the Bonds is excludable from gross income for federal income tax purposes. (See "LEGAL MATTERS - Tax Exemption" herein.)
No Bank Qualification	The Bonds are NOT "qualified tax-exempt obligations."
Credit Rating	A rating on the Bonds has been requested from S&P Global Ratings, a division of S&P Global.
Underwriter	Huntington Securities, Inc. dba Huntington Capital Markets
Registrar and Fiscal Agent	Associated Trust Company, National Association, Green Bay, Wisconsin.
Record Date	The fifteenth day of the calendar month next preceding each interest payment date.
Delivery Date and Place	On or about May 19, 2021, through the facilities of DTC in New York, New York.
Denominations	The Bonds will be issued in denominations of $5,000 each and integral multiples thereof.
Bond Years	73,256.67 **Average Life** 9.514 years
Continuing Disclosure	The Official Statement will be available from the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") System. The Village will covenant to provide annual reports, as required, and timely notice of certain events as set forth in the Continuing Disclosure Certificate for the Bonds. See Appendix C herein.

*Preliminary, subject to change.

SUMMARY - THE NOTES

This is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Notes to potential investors is made only by means of the entire Official Statement and all such documents.

Issuer	Village of Mukwonago, Wisconsin
Issue	$5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes")
Dated Date	May 19, 2021
Principal Due	April 1, 2022 through 2031.
Interest Payment Date	Semi-annually each April 1 and October 1, commencing April 1, 2022. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.
Redemption Provisions	The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.
Purpose	The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.
Security	The Village pledges its full faith, credit and resources and there will be levied on all the taxable property in the Village a direct, annual, irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Notes.
Authority	The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes, and an authorizing resolution to be adopted by the Village Board on May 5, 2021.
Tax Exemption	Interest on the Notes is excludable from gross income for federal income tax purposes. (See “LEGAL MATTERS - The Notes - Tax Exemption” herein.)
No Bank Qualification	The Notes are NOT "qualified tax-exempt obligations."
Credit Rating	A rating on the Notes has been requested from S&P Global Ratings, a division of S&P Global.
Underwriter	Huntington Securities, Inc. dba Huntington Capital Markets
Registrar and Fiscal Agent	Associated Trust Company, National Association, Green Bay, Wisconsin.
Record Date	The fifteenth day of the calendar month next preceding each interest payment date.
Delivery Date and Place	On or about May 19, 2021, through the facilities of DTC in New York, New York.
Denominations	The Notes will be issued in denominations of $5,000 each and integral multiples thereof.
Bond Years	36,083.33 **Average Life** 7.217 years
Continuing Disclosure	The Official Statement will be available from the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (“EMMA”) System. The Village will covenant to provide annual reports, as required, and timely notice of certain events as set forth in the Continuing Disclosure Certificate for the Notes. See Appendix C herein.

OFFICIAL STATEMENT

VILLAGE OF MUKWONAGO, WISCONSIN
WAUKESHA AND WALWORTH COUNTIES, WISCONSIN
$7,700,000* General Obligation Refunding Bonds, Series 2021A
$5,000,000 General Obligation Promissory Notes, Series 2021B

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information in connection with the issuance of $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds") and the $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes" and together with the Bonds, the "Securities") of the Village of Mukwonago, Wisconsin (the "Village").

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Official Statement is based upon material provided by the Village or obtained from other sources and is believed to be reliable, but is not guaranteed as to accuracy or completeness.

All references to material included in this Official Statement not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request.

Information, including the Village's prior years' financial statements is available upon request and upon payment to the Village of a charge for any copying, mailing and handling if required, from Ms. Diana Dykstra, Clerk/Treasurer, Village of Mukwonago, 440 River Crest Court, Mukwonago, Wisconsin, 53149, telephone (262) 363-6420 or e-mail at ddykstra@villageofmukwonago.com or from Huntington Securities, Inc. dba Huntington Capital Markets at (414) 298-9898.

THE BONDS

Purpose

The Bonds are being issued for the public purpose of paying the cost of current refunding certain outstanding obligations of the Village, specifically, the Waterworks System and Sewerage System Revenue Bond Anticipation Notes, Series 2018D, dated June 1, 2018 (the "2018 Notes"). Proceeds of the Bonds shall be used to pay the 2018 Notes at maturity on June 1, 2021. Interest due on the 2018 Notes on June 1, 2021 shall be paid from Village funds on hand.

Authority for Issuance

The Bonds are being issued pursuant to Chapter 67, Wisconsin Statutes, and a Resolution Authorizing the Issuance and Sale of $7,700,000* General Obligation Refunding Bonds, Series 2021A (the "Bonds Resolution") to be adopted by the Village Board on May 5, 2021.

Description

The Bonds will be dated May 19, 2021, the date of delivery, and will bear interest from their dated date to their respective maturity dates. Principal of the Bonds will be payable annually on each June 1, commencing June 1, 2022 through 2038. Interest will be payable semi-annually each June 1 and December 1, commencing December 1, 2021. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

*Preliminary, subject to change.

Sources and Applications of Funds

Sources of Funds

Par Amount of Bonds	$
Reoffering Premium	
Total Sources	$

Applications of Funds

Deposit to Debt Service Fund (for Current Refunding)	$
Costs of Issuance (including Underwriter's Discount)	
Total Applications	$

Obligations to be Refunded

$7,700,000 Waterworks System and Sewerage System Revenue
Bond Anticipation Notes, Series 2018D (the "2018 Notes")
Dated: June 1, 2018
Due: June 1, 2021

Year	Amount Outstanding	Amount to be Refunded (1)	CUSIP No.
2021	$7,700,000	$7,700,000	62507PFB3

(1) Proceeds of the Bonds shall be used to pay the 2018 Notes at maturity on June 1, 2021. The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Sources of Payment for the Bonds

The Village is authorized and required by law to levy on all property taxable by the Village such *ad valorem* taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon.

Security for the Bonds

As security for the Bonds, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Bonds. The tax will be levied under the Bonds Resolution for collection in each of the years 2021 through 2038 or monies to pay debt service will otherwise be appropriated.

Redemption Provisions

The Bonds maturing on June 1, 2031 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on June 1, 2030 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Notice of Redemption

Notice of redemption shall be given by facsimile or electronic transmission, certified or registered mail, overnight express delivery or in any other manner required by DTC, to DTC or its nominee as the registered owner of the Bonds. Such notice shall be mailed not more than 60 days nor less than 30 days prior to the date fixed for redemption. Except as set forth in any undertaking by the Village to provide continuing disclosure, the Village will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

THE NOTES

Purpose

The Notes will be issued for public purposes, including paying the cost of projects included in the Village's 2021 Capital Improvement Plan.

Authority for Issuance

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes, and a Resolution Authorizing the Issuance and Sale of $5,000,000 General Obligation Promissory Notes, Series 2021B (the "Notes Resolution") to be adopted by the Village Board on May 5, 2021.

Description

The Notes will be dated May 19, 2021, the date of delivery, and will bear interest from their dated date to their respective maturity dates. Principal of the Notes will be payable annually on each April 1, commencing April 1, 2022 through 2031. Interest will be payable semi-annually each April 1 and October 1, commencing April 1, 2022. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Sources and Applications of Funds

Sources of Funds	
Par Amount of Notes	$
Reoffering Premium	
Total Sources	$
Applications of Funds	
Deposit to Project Fund	$
Costs of Issuance (including Underwriter's Discount)	
Deposit to Debt Service Fund	
Total Applications	$

Sources of Payment for the Notes

The Village is authorized and required by law to levy on all property taxable by the Village such *ad valorem* taxes, without limitation as to rate or amount, as may be necessary to pay the Notes and the interest thereon.

Security for the Notes

As security for the Notes, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Notes. The tax will be levied under the Notes Resolution for collection in each of the years 2022 through 2031 or monies to pay debt service will otherwise be appropriated.

Redemption Provisions

The Notes maturing on April 1, 2029 and thereafter shall be subject to redemption prior to maturity, at the option of the Village, on April 1, 2028 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Notice of Redemption

Notice of redemption shall be given by facsimile or electronic transmission, certified or registered mail, overnight express delivery or in any other manner required by DTC, to DTC or its nominee as the registered owner of the Notes. Such notice shall be mailed not more than 60 days nor less than 30 days prior to the date fixed for redemption. Except as set forth in any undertaking by the Village to provide continuing disclosure, the Village will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

THE RESOLUTIONS

The Bonds Resolution and the Notes Resolution (together, the "Resolutions") are to be adopted by the Village Board pursuant to the procedures prescribed by the Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Resolutions authorize the issuance of the Securities and the sale of the Securities to the Underwriter. The Resolutions establish the form and terms of the Securities, including the dating, maturity schedule, interest payment dates and redemption provisions, as shown in this Official Statement, and approves the interest rates to be borne by the Securities. Pursuant to the Resolutions, the Village pledges its full faith, credit and resources and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and at times sufficient to pay the principal of and interest on the Securities. The Resolutions establish, separate and distinct from all other funds of the Village, debt service funds with respect to payment of principal and interest on the Securities.

BOOK-ENTRY-ONLY SYSTEM

The following information has been furnished by The Depository Trust Company for use in this Official Statement. Neither the Village nor the Underwriter takes any responsibility for the accuracy or completeness of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for 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 maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 the 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 the 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 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 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 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 Registrar. 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 Issuer takes no responsibility for the accuracy thereof.

Registrar and Fiscal Agent

Associated Trust Company, National Association, Green Bay, Wisconsin, will act as registrar and fiscal agent for the Securities.

CUSIP INFORMATION

CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the Village, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

THE VILLAGE

Village Board

The legislative body of the Village is the Village Board which consists of a president and six trustees. Since Charter Ordinance #938 was adopted on October 17, 2017, Village Trustees have been elected to staggered three-year terms starting with the 2018 election.

Services

Public Safety

In addition to the Police Chief, Assistant Chief and two Lieutenants, the Village has 11 uniform police officers and 7 dispatchers for a staff of 22 full-time public safety employees, as well as 10 part-time reserve officers and 1 part-time crossing guard. The fire department has 7 full-time employees.

Transportation

The Village is located on State Highway 43 which runs east-west past the south end of the Village and State Highway 83 which runs north-south through the Village. Commercial air service is available at Milwaukee Mitchell International Airport approximately 25 miles northeast of the Village.

Employee Relations and Collective Bargaining

The following collective bargaining units represent Village employees.

Union/Association	Term Expiration	No. of Members
Mukwonago Professional Police Association	December 31, 2023	11
Mukwonago Professional Firefighters Association	December 31, 2025	6

According to the Village, relations between the Village and the bargaining units are good.

The Village has a total of 150 employees, including full-time, part-time and paid on-call employees.

All eligible Village personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and collectively bargain with the 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 or 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.

Demographic Information

Population

The Wisconsin Department of Administration has estimated the population trends of the Village and Waukesha County (the "County") as shown in the table below. The Village's 2010 U.S. Census population is 7,355.

	Estimated 2020	Estimated 2019	Estimated 2018	Estimated 2017	Estimated 2016
Village of Mukwonago	8,126	8,137	8,057	7,878	7,772
Waukesha County	406,785	405,991	401,446	398,236	396,449

Source: Wisconsin Department of Administration

The median ages for the Village, County and State as of the 2010 U.S. Census are as follows:

	Median Age As Of The 2010 U.S. Census
Village of Mukwonago	37.9
Waukesha County	42.0
State of Wisconsin	38.5

Source: U.S. Census Bureau

Income

Adjusted Gross Income per tax return income data for the Village, County and State are presented in the following table:

Year	Village of Mukwonago	Waukesha County	State of Wisconsin
2019	$72,257	$92,569	$61,003
2018	67,983	90,062	59,423
2017	65,926	86,671	56,698
2016	65,916	85,796	55,267
2015	62,439	83,021	54,227

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Economic Information

The Village is largely a residential community (67.3% of the Village's 2020 equalized valuation).

Construction

Building activity in the Village is indicated by the value of building permits issued, as set forth in the following table:

Year	Value of Permits
2021 (1)	$ 8,167,245
2020	27,298,873
2019 (2)	141,039,568
2018	38,806,006
2017	62,928,971
2016	13,771,605

(1) Through March 25, 2021.
(2) Of the 2019 amount, $102,500,000 is for a tax-exempt hospital project.

Source: Village

Employment

The Workforce and Labor Market Information System has estimated the percentage of unemployment in the County, State and U.S. to be as follows:

	March 2021 (1) (2)	2020 Average(1)	2019 Average	2018 Average	2017 Average	2016 Average
Waukesha County	3.8%	5.6%	2.9%	2.7%	2.9%	3.4%
State of Wisconsin	4.8	6.3 (2)	3.3	3.0	3.3	3.9
U.S.	6.2	8.1 (2)	3.7 (2)	3.9 (2)	4.4	4.9

(1) Figures reflect employment impact as a result of COVID-19 (see "GLOBAL HEALTH EMERGENCY RISK" herein).
(2) Preliminary.

Source: Wisconsin Department of Workforce Development.

Average Annual Employment

The table below presents average annual employment by selected categories within the County for the last five years.

	2019	2018	2017	2016	2015
ALL INDUSTRIES	**233,567**	**246,050**	**243,987**	**242,000**	**233,770**
Construction	18,570	17,672	17,140	16,170	14,985
Education & Health	38,346	42,004	41,403	40,966	40,321
Financial Activities	15,935	15,768	16,376	16,658	15,840
Information	3,590	4,054	4,708	4,770	*
Leisure & Hospitality	19,692	21,968	21,297	21,280	20,792
Manufacturing	40,896	44,015	42,659	42,062	42,678
Natural Resources	590	549	548	530	533
Other Services	7,566	8,592	8,366	8,242	8,180
Professional & Business Services	33,800	35,786	36,272	36,069	36,014
Public Administration	6,663	6,142	6,262	6,225	6,171
Trade, Transportation, Utilities	47,919	49,500	48,956	49,028	48,256
Unclassified	0	0	0	0	*

* Suppressed.

Source: Wisconsin Department of Workforce Development

Major Employers

The following table lists the largest commercial, industrial and institutional establishments in the Village by employment:

Employer	Product/Business	Approximate Employment
Mukwonago Area School District	Education	572*
AptarGroup, Inc.	Injection molding company	485
Empire Level Manufacturing Corp.	Hand and edge tools	285
ProHealth Care	Health care	230
GS Global Resources, Inc.	Industrial machinery and equipment	175
C.I. Banker Wire & Iron Works	Woven and welded wire mesh	155
The Village	Government	150**
Wal-Mart Super Center	Retail store	150
Badger Color Concentrates Inc.	Manufacture liquid and color concentrates for plastics industry	120
Triple Crown Products	Screen printing	120

* Full-time equivalent employees
** Includes full-time, part-time and paid on call employees.

Source: D&B Credit, IndustrySelect by MNI, Inc., Wisconsin Department of Public Instruction, and independent employer inquiries, March, 2021. Numbers may not reflect any impact from COVID-19. See "MISCELLANEOUS - Impact of the Spread of COVID-19." herein.

Tax Levies and Collections

Wisconsin cities, villages and towns are charged with the responsibility of assessing taxable property and collecting taxes, and making distribution to counties, districts and other public bodies. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1.

All taxes on personal property must be paid in full at the first specified collection date; taxes on real estate may be paid in full by the first specified collection date or in three installments during the collection year. All installments are paid to the Village Treasurer. State law requires the County to remit 100% of the tax levy due to its underlying governmental units and keep for its own use all delinquent taxes subsequently collected and money derived from tax sales, unless the municipality elects to collect its own delinquent taxes. The County settles in full with its underlying governmental units on or before August 20.

Village tax levies for the past five calendar years are as follows:

Year of Levy/Collection	Village Tax Levies (Excluding TID)	Annual Village Levy Rate Per $1,000 of Equalized Value (TID Out)
2020/21	$6,411,112	$7.13
2019/20	6,148,868	7.17
2018/19	5,879,591	7.09
2017/18	5,778,704	7.47
2016/17	5,677,581	7.62

The Village experiences no real estate tax delinquencies since the County is required to settle in full with underlying taxing jurisdictions on or before August 20 of each 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 "MISCELLANEOUS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The counties the Village is located in and the Village did not adopt such resolutions. The Village cannot predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, such as the Securities.

Source: Village

Tax Rates Per $1,000 of Assessed Valuation

Tax rates for the Village (in Mukwonago Area School District within the County) for the past five collection years are as follows:

	2017	2018	2019	2020	2021
Village	$8.16	$8.05	$7.08	$7.24	$7.51
School District	9.44	9.18	7.93	7.89	8.42
Technical College District	0.39	0.41	0.36	0.37	0.37
County	2.14	2.15	1.88	1.86	1.86
State [1]	0.18	0.00	0.00	0.00	0.00
Gross Tax Rate	$20.31	$19.79	$17.25	$17.36	$18.16
(Less: State Credit)	(1.48)	(1.62)	(1.41)	(1.39)	(1.35)
Tax Rate Per $1,000 Assessed Valuation	$18.83	$18.17	$15.84	$15.97	$16.81
Ratio of Assessed to Equalized Valuation	93.58%	91.24%	100.05%	98.76%	95.02%
Tax Rate Per $1,000 Equalized Valuation	$17.62	$16.58	$15.85	$15.77	$15.97

[1] State property taxes were eliminated in the State's 2017-19 budget act.

Source: Village

Equalized Valuation

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

The Village's trend in equalized value over the past five years is outlined in the table below.

	Equalized Value TID In	% Change	Equalized Value TID Out	% Change
2020	$ 992,994,900	7.22%	$ 898,892,300 (1)	4.79%
2019	926,137,500	5.55	857,797,500	3.41
2018	877,402,300	4.54	829,478,900	4.60
2017	839,258,300	4.62	793,031,900	6.33
2016	802,163,300	7.71	745,834,500	5.66

Due to varying assessment ratios to full market value used in municipalities, all overlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax.

(1) The Village's 2020 Equalized Value (TID Out), as published by the Wisconsin Department of Revenue, may not properly reflect the aggregate amount of increment value in the Village's TIDs (see "Tax Increment Districts" below). The Village has submitted a change to the TID No. 5 valuation report to the Wisconsin Department of Revenue after the valuation reports were published.

Source: State of Wisconsin, Department of Revenue

The equalized valuation (TID In) by class of property for 2020 is as follows:

Real Estate	
Residential	$ 668,210,300
Commercial	244,337,600
Manufacturing	55,215,900
Agricultural	353,400
Other (1)	3,194,400
Total Real Estate	$ 971,311,600
Total Personal Property	21,683,300
Total	$ 992,994,900

(1) Includes Undeveloped, Ag Forest, Forest and Other.

Source: State of Wisconsin, Department of Revenue

The percentage mix of equalized valuation (TID In) by class of property for the past five years was as follows:

Real Estate	2020	2019	2018	2017	2016
Residential	67.29%	67.83%	71.72%	68.70%	68.57%
Commercial	24.61	24.24	21.60	23.75	24.81
Manufacturing	5.56	5.79	4.69	4.89	4.11
Agricultural	0.04	0.04	0.04	0.04	0.04
Other	0.32	0.35	0.37	0.38	0.40
Personal Property	2.18	1.75	1.58	2.24	2.07
	100.00%	100.00%	100.00%	100.00%	100.00%
Total Equalized Value (millions)	$993	$926	$877	$839	$802

Source: State of Wisconsin, Department of Revenue

Tax Increment Districts

As of January 1, 2020, there were three tax incremental districts ("TIDs") located in the Village. Following is information on the TIDs.

Name	Creation Date	Base Value	Increment	Current Value
TID No. 3 (1)	2003	$ 2,389,500	$ 53,159,900	$ 55,549,400
TID No. 4	2017	6,368,000	4,776,800	11,144,800
TID No. 5	2018	315,200	33,749,700	34,064,900

(1) The Village is using Tax Incremental District No. 3 ("TID #3") revenues to pay the debt service on the General Obligation Refunding Bonds, dated November 1, 2012, a portion of General Obligation Promissory Notes, Series 2015, dated April 1, 2015, and a portion of the General Obligation Promissory Notes, Series 2020B, dated June 17, 2020, when due. The actual amount of these offsetting revenues is not guaranteed. Under State law, the Village is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

Source: State of Wisconsin, Department of Revenue

Largest Taxpayers for Fiscal Year 2020

The table below shows the Village's largest taxpayers for 2020.

Name	Type of Property	2020 Equalized Valuation	Net Taxes to be Paid in 2021	Percent of Village's 2020 Total Equalized Value
River Park LLC	Apartments	$ 15,019,600	$ 252,171	1.51%
Wal-Mart	Retail	14,941,700	251,088	1.50
Greenwald Family Partnership	Various	14,472,000	242,348	1.46
Super Products	Manufacturing	12,651,000	278,697	1.27
CI Banker Wire & Iron Works	Manufacturing	11,372,500	250,527	1.15
Aptar Mukwonago	Manufacturing	8,944,300	150,282	0.90
Waukesha Memorial Hospital (ProHealth)	Medical	8,584,800	144,183	0.86
TW Phantom Woods LLC	Apartments	7,788,500	130,855	0.78
Home Depot	Retail	7,477,400	125,626	0.75
Gearbox	Manufacturing	7,358,400	123,626	0.74
		$108,610,200	$1,949,403	10.94%

Source: Village.

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VILLAGE DEBT STRUCTURE

Outstanding General Obligation Debt Summary (as of May 19, 2021)

General Obligation Debt by Issue

Type of Obligation	Date of Issue	Original Amount Issued	Final Maturity Date	Current Amount Outstanding
G.O. Refunding Bonds (TID #3)	11-01-12	$ 3,620,000	10-01-26	$ 1,700,000
G.O. Refunding Bonds (the "2013 Bonds")	11-20-13	3,000,000	12-01-22	800,000 (1)
G.O. Bond	11-30-14	27,468	2-15-22	3,430
G.O. Promissory Notes, Series 2015	4-01-15	6,785,000	4-01-25	4,010,000
G.O. Promissory Notes, Series 2016A	7-06-16	3,100,000	10-01-25	1,800,000
G.O. Promissory Notes, Series 2017A	11-01-17	1,400,000	10-01-26	1,200,000
G.O. Promissory Notes, Series 2018B	6-01-18	2,145,000	10-01-26	1,800,000
G.O. Refunding Bonds, Series 2018E	9-05-18	5,375,000	12-01-26	3,875,000
Taxable G.O. Refunding Bonds, Series 2019A	2-20-19	2,375,000	3-01-26	1,675,000
G.O. Promissory Notes, Series 2019B	2-20-19	4,225,000	3-01-28	3,925,000
Taxable G.O. Promissory Notes, Series 2020A	6-17-20	1,240,000	6-01-30	1,240,000
G.O. Promissory Notes, Series 2020B	6-17-20	4,590,000	6-01-30	4,590,000
G.O. Refunding Bonds, Series 2021A	5-19-21	7,700,000	6-01-38	7,700,000 (2)
G.O. Promissory Notes, Series 2021B	5-19-21	5,000,000	4-01-31	5,000,000 (2)
		Outstanding Debt		$ 39,318,430
		Less: 2021 Remaining Payments		1,825,000
		Net Outstanding Debt		$ 37,493,430

(1) At its April 21, 2021 meeting, the Board approved calling the December 1, 2021 and 2022 maturities of the 2013 Bonds totaling $800,000. The 2013 Bonds are expected to be called on June 1, 2021 and paid with Village cash on hand.

(2) New issue. Preliminary, subject to change.

Note Anticipation Note Debt by Issue

Type of Obligation	Date of Issue	Original Amount Issued	Final Maturity Date	Current Amount Outstanding
Taxable Note Anticipation Notes, Series 2018A	3-20-18	$ 4,225,000	12-01-22	$ 4,225,000

Debt Service Schedules – General Obligation Debt

	$3,620,000 G.O. Refunding Bonds (TID #3) (1) 11/01/12		$3,000,000 G.O. Refunding Bonds 11/20/13		$27,468 G.O. Bond, Village Portion of County (3) Trunked Radio Debt - 11/30/14	
	Principal (10/01)	Interest	Principal (12/01)	Interest	Principal (2/15)	Interest
2021	$ 275,000	$ 19,344	$400,000 (2)	$10,250		(3)
2022	275,000	33,188	400,000 (2)	10,500	$ 3,430	(3)
2023	275,000	27,344				
2024	275,000	21,156				
2025	300,000	14,625				
2026	300,000	7,500				
	$1,700,000	$123,157	$800,000	$ 20,750	$3,430	
Less Remaining 2021 Payments	275,000	19,344	400,000	10,250	3,430	
	$1,425,000	$103,813	$ 400,000	$ 10,500	$ 0	

(1) The Village plans to pay all of the debt service from TID #3 revenues collected.

(2) Maturities to be called on June 1, 2021 and paid with Village cash on hand.

(3) Interest free loan.

	$6,785,000 G.O. Promissory Notes, Series 2015 4/01/15		**$3,100,000 G.O. Promissory Notes, Series 2016A - 7/06/16**		**$1,400,000 G.O. Promissory Notes, Series 2017A - 11/01/17**	
	Principal (4/01)	Interest	Principal (10/01)	Interest	Principal (10/01)	Interest
2021		$ 53,775	$ 100,000	$ 18,000	$ 100,000	$ 15,250
2022	$ 775,000	99,800	250,000	34,000	100,000	28,500
2023	1,000,000	79,550	450,000	29,000	200,000	26,500
2024	1,060,000	51,150	500,000	20,000	200,000	22,500
2025	1,175,000	17,625	500,000	10,000	200,000 (1)	18,000
2026					400,000 (1)	12,000
	$4,010,000	$301,900	$1,800,000	$111,000	$1,200,000	$122,750
Less Remaining 2021 Payments	0	53,775	100,000	18,000	100,000	15,250
	$4,010,000	$248,125	$1,700,000	$ 93,000	$1,100,000	$107,500

	$2,145,000 G.O. Promissory Notes, Series 2018B - 6/01/18		**$5,375,000 G.O. Refunding Bonds, Series 2018E - 9/05/18**		**$2,375,000 Taxable G.O. Refunding Bonds, Series 2019A - 2/20/19**	
	Principal (10/01)	Interest	Principal (12/01)	Interest	Principal (3/01)	Interest
2021	$ 200,000	$ 28,750	$ 750,000	$ 109,500		$ 33,500
2022	200,000	51,500	675,000	90,750	$ 350,000	60,000
2023	200,000	45,500	675,000	73,875	350,000	46,000
2024	200,000	39,000	675,000	53,625	350,000	32,000
2025	200,000	32,500	700,000	36,750	350,000	18,000
2026	800,000	26,000	400,000	14,000	275,000	5,500
	$1,800,000	$223,250	$3,875,000	$378,500	$1,675,000	$195,000
Less Remaining 2021 Payments	200,000	28,750	750,000	109,500	0	33,500
	$1,600,000	$194,500	$3,125,000	$269,000	$1,675,000	$161,500

	$4,225,000 G.O. Promissory Notes, Series 2019B - 2/20/19		**$1,240,000 Taxable G.O. Promissory Notes, Series 2020A - 6/17/20**		**$4,590,000 G.O. Promissory Notes, Series 2020B - 6/17/20**	
	Principal (3/01)	Interest	Principal (6/01)	Interest	Principal (6/01)	Interest
2021		$ 58,094		$ 32,124		$175,103
2022	$ 150,000	114,687	$ 125,000	21,289		120,300
2023	150,000	111,688	125,000	19,632	$ 100,000	119,800
2024	250,000	107,375	125,000	17,820	115,000	118,150
2025	250,000	101,594	125,000	15,851	200,000	115,000
2026	550,000	91,750	140,000	13,560	600,000	104,000
2027	1,050,000	69,125	150,000	10,875	1,175,000	77,375
2028	1,525,000	26,687	150,000	7,950	1,175,000	42,125
2029			150,000	4,875	600,000	18,500
2030			150,000	1,650	625,000	6,250
	$3,925,000	$681,000	$1,240,000	$145,626	$4,590,000	$896,603
Less Remaining 2021 Payments	0	58,094	0	32,124	0	175,103
	$3,925,000	$622,906	$1,240,000	$113,502	$4,590,000	$721,500

(1) Term bond maturing on 10/01/26 with annual mandatory redemptions.

	$7,700,000 G.O. Refunding Bonds, (1) Series 2021A - 5/19/21		$5,000,000 G.O. Promissory Notes, (1) Series 2021B - 5/19/21	
	Principal (6/01)	Estimated Interest	Principal (4/01)	Estimated Interest
2021		$ 86,293		
2022	$ 385,000	157,950	$ 300,000	$133,667
2023	390,000	150,200	400,000	90,000
2024	400,000	142,300	100,000	85,000
2025	410,000	134,200	100,000	83,000
2026	415,000	125,950	100,000	81,000
2027	425,000	117,550	300,000	77,000
2028	435,000	108,950	700,000	67,000
2029	440,000	100,200	500,000	55,000
2030	450,000	91,300	1,250,000	37,500
2031	460,000	82,200	1,250,000	12,500
2032	470,000	72,900		
2033	480,000	63,400		
2034	485,000	53,750		
2035	495,000	43,950		
2036	505,000	32,688		
2037	520,000	19,875		
2038	535,000	6,687		
	$7,700,000	$1,590,343	$5,000,000	$721,667
Less Remaining 2021 Payments	0	86,293	0	0
	$7,000,000	$1,504,050	$5,000,000	$721,667

(1) New issue. Preliminary, subject to change.

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Total General Obligation Debt (1)

Year	Principal	Interest	Total	Less: TID Revenues for Debt Service (2)	Net Debt Service
2021	$ 1,825,000	$ 639,983	$ 2,464,983	$ 583,732	$ 1,881,251
2022	3,988,430	956,131	4,944,561	1,121,431	3,823,130
2023	4,315,000	819,089	5,134,089	1,215,971	3,918,118
2024	4,250,000	710,076	4,960,076	1,260,840	3,699,236
2025	4,510,000	597,145	5,107,145	1,312,417	3,794,728
2026	3,980,000	481,260	4,461,260	590,022	3,871,238
2027	3,100,000	351,925	3,451,925	492,680	2,959,245
2028	3,985,000	252,712	4,237,712	683,110	3,554,602
2029	1,690,000	178,575	1,868,575		1,868,575
2030	2,475,000	136,700	2,611,700		2,611,700
2031	1,710,000	94,700	1,804,700		1,804,700
2032	470,000	72,900	542,900		542,900
2033	480,000	63,400	543,400		543,400
2034	485,000	53,750	538,750		538,750
2035	495,000	43,950	538,950		538,950
2036	505,000	32,688	537,688		537,688
2037	520,000	19,875	539,875		539,875
2038	535,000	6,687	541,687		541,687
	$39,318,430	$5,511,546	$44,829,976	$7,260,203	$37,569,773
Less: Remaining 2021 Payments	1,825,000	639,983	2,464,983	583,732	1,881,251
TOTAL	$37,493,430	$4,871,563	$42,364,993	$6,676,471	$35,688,522

(1) Includes the Securities. Preliminary, subject to change.
(2) The actual amount of these offsetting revenues is not guaranteed. Under State law, the Village is required to levy an amount sufficient to meet the debt service on its outstanding general obligation debt, but such levy may be abated by the use of such offsetting revenues, if and to the extent available.

Debt Service Schedule - Taxable Note Anticipation Notes

$4,225,000 Taxable Note Anticipation Notes, Series 2018A - 3/20/18

	Principal (12/01)	Interest
2021		$163,719
2022	$4,225,000	163,719
	$4,225,000	$327,438
Less: Remaining 2021 Payments	0	163,719
	$4,225,000	$163,719

Outstanding Waterworks System and Sewerage System Revenue Debt Summary (as of May 19, 2021)

Waterworks System and Sewerage System Revenue Bond Debt

Type of Obligation	Date of Issue	Original Amount Issued	Maturity Dates	Current Amount Outstanding
Waterworks System and Sewerage System Revenue Bonds, Series 2002C (1)	11-27-02	$ 627,355	5-01-22	$ 29,836
Waterworks System and Sewerage System Revenue Bonds	1-01-08	3,200,000	12-01-26	1,900,000
Waterworks System and Sewerage System Refunding Revenue Bonds	12-01-10	2,920,000	12-01-24	900,000
Waterworks System and Sewerage System Revenue Bonds, Series 2016B	07-06-16	5,445,000	12-01-29	4,540,000
Waterworks System and Sewerage System Revenue Bonds, Series 2018C	06-01-18	3,650,000	12-01-33	3,450,000
		Outstanding Revenue Bond Debt		$10,819,836

(1) Safe Water Drinking Fund Loan issued at a rate of 2.75%.

Waterworks System and Sewerage System Revenue Bond Anticipation Note Debt

Type of Obligation	Date of Issue	Original Amount Issued	Maturity Dates	Current Amount Outstanding
Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C	12-21-16	$ 2,280,000	12-01-21	$ 1,650,000
Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2018D	6-01-18	7,700,000	6-01-21	7,700,000 (1)
		Outstanding Revenue Bond Anticipation Note Debt		$ 9,530,000
		Less: Refunded 2018 Notes		7,700,000
		Net Outstanding Revenue Bond Anticipation Note Debt		$ 1,650,000

(1) Proceeds of the Bonds will be used to pay the 2018 Notes at maturity on June 1, 2021. The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Debt Service Schedules – Revenue Bond Debt

	$627,355 Waterworks System and Sewerage System Revenue Bonds, Series 2002C – 11/27/02		$3,200,000 Waterworks System and Sewerage System Revenue Bonds – 1/01/08	
Year	Principal (5/01)	Interest	Principal (12/01)	Interest
2021		$ 410	$ 100,000 (1)	$ 84,600
2022	$ 29,836	410	125,000 (1)	80,600
2023			225,000	75,600
2024			400,000	66,375
2025			500,000	49,875
2026			550,000	26,125
TOTAL	$ 29,836	$ 820	$ 1,900,000	$ 383,175

(1) Term Bonds maturing on December 1, 2022 with annual mandatory redemptions.

Debt Service Schedules – Revenue Bond Debt continued

$2,920,000 Waterworks System and Sewerage System Refunding Revenue Bonds – 12/01/10

Year	Principal (12/01)	Interest
2021	$ 275,000	$ 39,750
2022	225,000	28,063
2023	200,000 (1)	18,500
2024	200,000 (1)	9,250
TOTAL	$ 900,000	$ 95,563

(1) Term Bond maturing on December 1, 2024 with annual mandatory redemptions.

$5,445,000 Waterworks System and Sewerage System Revenue Bonds, Series 2016B – 7/06/16

Year	Principal (12/01)	Interest
2021	$ 315,000	$ 124,450
2022	330,000	118,150
2023	320,000	111,550
2024	210,000	105,150
2025	315,000	100,950
2026	325,000	91,500
2027	900,000	81,750
2028	925,000	54,750
2029	900,000	27,000
TOTAL	$ 4,540,000	$ 815,250

$3,650,000 Waterworks System and Sewerage System Revenue Bonds, Series 2018C - 6/01/18

Year	Principal (12/01)	Interest
2021	$ 100,000	$ 130,250
2022	100,000	126,250
2023	100,000	122,250
2024	100,000	118,250
2025	100,000	114,250
2026	100,000	110,250
2027	100,000	106,250
2028	100,000	102,250
2029	100,000	98,250
2030	675,000	95,250
2031	675,000	75,000
2032	600,000	48,000
2033	600,000	24,000
TOTAL	$3,450,000	$1,270,500

Total Revenue Bond Debt

Year	Principal	Interest	Total	Coverage Ratio(1)
2021	$ 790,000	$ 379,460	$ 1,169,460	1.63
2022	809,836	353,473	1,163,309	1.68
2023	845,000	327,900	1,172,900	1.66
2024	910,000	299,025	1,209,025	1.61
2025	915,000	265,075	1,180,075	1.65
2026	975,000	227,875	1,202,875	1.62
2027	1,000,000	188,000	1,188,000	1.64
2028	1,025,000	157,000	1,182,000	1.65
2029	1,000,000	125,250	1,125,250	1.73
2030	675,000	95,250	770,250	2.53
2031	675,000	75,000	750,000	2.60
2032	600,000	48,000	648,000	3.01
2033	600,000	24,000	624,000	3.13
Outstanding Debt	$10,819,836	$2,565,308	$13,385,144	

(1) Coverage ratios based on 2020 unaudited net revenues of $1,951,603. The coverage shown for 2021 reflects a total debt service amount of $1,199,308, before deduction of any 2021 payments.

Debt Service Schedules – Revenue Bond Anticipation Note Debt

	$2,280,000 Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C – 12/21/16		$7,700,000 Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2018D – 6/01/18	
Year	Principal (12/01)	Interest	Principal (6/01)	Interest
2021	$1,650,000	$61,875	$ (1)	$129,937 (2)
	$1,650,000	$61,875	$ 0	$129,937

(1) Proceeds of the Bonds will be used to pay the 2018 Notes at maturity on June 1, 2021.
(2) The interest due on June 1, 2021 will be paid by the Village from Village funds on hand.

Debt Ratios

Outstanding general obligation direct debt as a percentage of equalized value and on a per capita basis for the current year (through May 19) as well as the past five years ended December 31 follows:

Ratios of General Obligation Debt to
Equalized Valuation and Population

Year	Outstanding General Obligation Debt	Equalized Valuation	Percent of Equalized Value	Population (1)	Per Capita
2021	$ 37,493,430(2)	$ 992,994,900	3.78%	8,126	$ 4,614
2020	27,671,864(3)	992,994,900	2.79	8,126	3,405
2019	26,545,298	926,137,500	2.87	8,137	3,262
2018	24,842,923	877,402,300	2.83	8,057	3,083
2017	25,465,869	839,258,300	3.03	7,878	3,233
2016	27,540,612	802,163,300	3.43	7,772	3,544

(1) Estimated by the Wisconsin Department of Administration.
(2) Unaudited (Includes the Securities, net of 2021 Payments).
(3) Unaudited.

Indirect Debt

The indirect general obligation debt of the Village as of April 1, 2021 is listed below.

Governmental Unit	Outstanding Debt As of April 1, 2021 Less: 2021 Sinking Funds	Percent of Debt Applicable to Village	Amount of Debt Within Village
Walworth County	$ 0	0.36%	$ 0
Waukesha County (1)	71,773,000	1.49	1,069,418
Mukwonago School District	39,920,000	23.38	9,333,296
East Troy Community School District	19,260,000	1.39	267,714
Gateway Technical College	66,450,000	0.12	79,740
Waukesha County Technical College	18,090,000	1.46	264,114
Total Indirect Debt			$11,014,282

(1) The County expects to issue $12,000,000 General Obligation Promissory Notes, 2021A on May 18, 2021. Such amount is not included in the table above.

Source: Information obtained from publicly available documents on EMMA (defined herein).

Total Indirect GO Debt	$ 11,014,282
Indirect GO Debt Per Capita	$ 1,355.44
Indirect Debt as a % of Equalized Value	1.11%
Total Direct GO Debt	$ 37,493,430
Total Direct GO Debt Per Capita	$ 4,614.01
Total Direct GO Debt as a % of Equalized Value	3.78%
Total Direct and Indirect GO Debt	$ 48,507,712
Total Direct and Indirect GO Debt Per Capita	$ 5,969.45
Total Direct and Indirect GO Debt as a % of Equalized Value	4.88%

Short Term Debt

The Village has no outstanding short-term debt.

Legal Debt Limit

The Village has the power to incur indebtedness for Village purposes specified by statute (Article 11 Section 3 of the Wisconsin Constitution and Chapter 67, Wisconsin Statutes) in an aggregate amount, not exceeding five percent of the equalized value of taxable property in the Village, as last determined by the State of Wisconsin Department of Revenue. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes.

The Village's unused borrowing capacity is as follows:

Equalized Value of Taxable Property in the Village for 2020	$ 992,994,900
G.O. Debt Outstanding as of May 19, 2021	$ 39,318,430
Legal Debt Capacity (5% of Equalized Value)	$ 49,649,745
Unused Margin of Indebtedness	$ 10,331,315
Percent of Unused Margin of Indebtedness (1)	20.81%

(1) The Village has outstanding $4,225,000 Taxable Note Anticipation Notes, Series 2018A, dated March 20, 2018 (the "2018A Notes") and anticipates issuing general obligation bonds or promissory notes prior to December 1, 2022 to pay the 2018A Notes when due. The Village has covenanted that it will maintain a debt limit capacity such that the outstanding principal balance of the 2018A Notes and all Village general obligation debt shall at no time exceed the constitutional debt limit of the Village. The total of the 2018A Notes and all Village general obligation debt is within the Village's legal debt limit as represented in the following schedule.

General Obligation Debt Outstanding	$ 39,318,430
Note Anticipation Note Debt Outstanding	4,225,000
	$ 43,543,430
Legal Debt Capacity	$ 49,649,745
Unused Borrowing Capacity	12.30%

No Default on Village Indebtedness

The Village has no record of default on any of its prior or outstanding indebtedness.

Future Financings

The Village plans to issue a waterworks system and sewerage system revenue bond prior to December 1, 2021 to pay the $1,650,000 Taxable Waterworks System and Sewerage System Revenue Bond Anticipation Bonds, Series 2016C, dated December 21, 2016 which are due to mature on December 1, 2021 and to fund an additional $400,000 in new sewerage system projects. As described above, the Village anticipates issuing general obligation bonds or promissory notes prior to December 1, 2022 to pay the 2018A Notes when due. Other than the preceding, the Village does not anticipate issuing any additional obligations in the next 12 months.

Annual Budgets

The Village Board prepares an annual operating budget corresponding to the calendar year. Once adopted, amendments to the budget require a two-thirds majority vote of the entire Village Board. A summary table of the 2020 and 2021 Annual General Fund Budgets follows.

Adopted Budget (General Fund)
Village of Mukwonago
2020 and 2021

	2020 Adopted Budget	2021 Adopted Budget	Percent to 2021 Total
REVENUES			
Taxes	$3,063,895	$3,306,884	64.90%
Intergovernmental Revenues	1,070,678	1,029,668	20.21
Licenses and Permits	337,597	359,410	7.05
Fines and Forfeitures	165,000	165,000	3.24
Public Charges for Services & Public Safety	38,817	34,050	0.67
Leisure Activities	98,000	85,000	1.67
Other Revenues & Financing Sources	108,500	115,211	2.26
TOTAL REVENUES	$4,882,487	$5,095,223	100.00%
EXPENDITURES			
General Government	$ 890,375	$ 928,067	18.21%
Public Safety	2,649,691	2,754,089	54.05
Public Works	917,155	992,755	19.48
Health & Human Services	2,750	2,470	0.05
Culture, Recreation and Education	188,991	194,911	3.83
Conservation & Development	221,525	187,431	3.68
Transfers Out	0	25,000	0.49
Storm Sewer	12,000	10,500	0.21
TOTAL EXPENDITURES	$4,882,487	$5,095,223	100.00%

Source: the Village

Summary of Operations

Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Years Ended December 31

	Unaudited 2020	2019	2018	2017
REVENUES:				
Taxes	$2,723,924	$2,622,943	$2,578,027	$2,511,046
Intergovernmental	953,677	834,756	892,813	858,369
Licenses and Permits	488,176	637,685	515,695	493,701
Fines, Forfeitures and Penalties	155,966	179,023	201,146	207,524
Public Charges for Services	35,746	36,309	39,479	42,026
Intergovernmental Charges for Services	178,005	197,904	172,165	131,252
Investment Income	50,246	122,302	73,924	29,422
Other Revenues	181,792	154,021	162,986	162,699
Total Revenues	$4,767,532	$4,784,943	$4,636,235	$4,436,039
EXPENDITURES:				
General Government	$ 967,668	$ 771,287	$ 804,714	$ 692,131
Public Safety	2,566,134	2,475,218	2,493,210	2,425,567
Public Works	933,157	842,931	791,778	795,099
Health and Human Services	2,420	2,746	2,680	2,731
Culture, Recreation and Education	191,125	171,459	159,762	155,759
Conservation and Development	267,279	211,051	163,557	186,759
Capital Outlay	57,658	49,456	30,665	35,850
Total Expenditures	$4,985,441	$4,524,148	$4,446,366	$4,293,893
Excess of Revenues Over (Under) Expenditures	(217,909)	260,795	189,869	142,146
Net Other Financing Sources (Uses)	499,736	(67,821)	(44,864)	116,302
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 281,827	$ 192,974	$ 145,005	$ 258,448
FUND BALANCE – BEGINNING OF YEAR	$2,711,167	$2,518,193	$2,373,188	$2,114,740
FUND BALANCE – END OF YEAR	$2,992,994	$2,711,167	$2,518,193	$2,373,188
Nonspendable	$ 47,606	$ 114,495	$ 83,752	$ 165,418
Assigned	1,098,958	970,474	802,339	822,287
Unassigned	1,846,430	1,626,198	1,632,102	1,385,483

Source: the Village's audited financial statements; unaudited 2020 information from the Village

Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Years Ended December 31

	Unaudited 2020	2019	2018	2017
REVENUES:				
Taxes	$ 7,396,927	$ 6,727,764	$ 6,610,628	$ 6,737,733
Special Assessments	157,683	130,916	18,298	217,516
Intergovernmental	1,769,560	1,414,459	1,614,697	1,442,527
Licenses and Permits	706,815	1,749,471	688,725	623,889
Fines, Forfeitures and Penalties	155,966	179,023	201,146	207,524
Public Charges for Services	1,360,123	1,202,139	1,233,019	1,342,050
Intergovernmental Charges for Services	587,149	533,325	386,365	341,252
Investment Income	137,388	389,351	330,461	129,360
Other Revenues	323,153	524,467	363,426	328,014
Total Revenues	$12,594,764	$12,851,005	$11,446,765	$11,369,865
EXPENDITURES:				
General Government	$1,040,438	$ 910,055	$ 942,006	$ 761,726
Public Safety	4,047,645	3,847,297	3,828,228	3,815,675
Public Works	1,507,971	1,419,631	1,289,427	1,309,408
Health and Human Services	2,420	2,746	2,680	2,731
Culture, Recreation and Education	1,164,548	1,154,370	1,191,654	1,123,125
Conservation and Development	1,425,379	217,842	1,243,053	202,051
Capital Outlay	3,341,756	3,968,600	12,358,340	3,271,308
Debt Service	6,086,263	6,128,617	9,343,025	4,148,370
Total Expenditures	$18,616,420	$17,649,158	$30,198,413	$14,634,394
Excess of Revenues Over (Under) Expenditures	(6,021,656)	(4,798,153)	(18,751,648)	(3,264,529)
Net Other Financing Sources (Uses)	6,743,330	7,819,266	20,114,928	1,967,807
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 721,674	$ 3,021,113	$ 1,363,280	$ (1,296,722)
Net Change in Fund Balances	$ 721,674	$3,021,113	$ 1,363,280	$ (1,296,722)
FUND BALANCE – BEGINNING OF YEAR	$12,129,672	$9,108,559	$ 7,745,279	$ 9,042,001
FUND BALANCE – END OF YEAR	$12,851,346	$12,129,672	$ 9,108,559	$ 7,745,279

Source: the Village's audited financial statements; unaudited 2020 information from the Village

Financial Information

A copy of the Village's audited financial statements for the fiscal year ended December 31, 2019, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin (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, assessment, procedures or evaluation with respect to such financial statements since the date thereof or relating 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 Securities, the Village represents that there has 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.

Pension Plan

All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. 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 ("Chapter 40"). 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 years ended December 31, 2017 ("Fiscal Year 2017"), December 31, 2018 ("Fiscal Year 2018") and December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled $347,820, $360,953 and $369,628, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 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 "MISCELLANEOUS - Impact of Global Health Emergency" 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 $1,048,117 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 0.02946065% of the aggregate WRS net pension asset as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the 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 IV.A. of the Village's financial statements included in Appendix A.

The Village also provides pension benefits for all of its eligible employees through a defined contribution plan known as the Village of Mukwonago Pension Trust through ICMA-RC who administers the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan upon becoming eligible for the WRS. This plan is to give eligible full-time non-represented employees an additional two and one-half percentage towards retirements, above what the Village contributes to WRS. In addition, Village employees have an option to contribute to this plan from each payroll period. For the year ended December 31, 2019 the total amount contributed was $96,570. Of this amount, $49,743 was contributed by the Village and $46,827 was contributed by the employees. Total contributions for the years ending December 31, 2018 and 2017 were $77,083 and $73,713, respectively. The Village's contribution for each year was equal to the required amount. For more information, see Note IV.E. of the Village's financial statements included in Appendix A.

Other Post-Employment Benefits

The Village does not offer any other post-employment benefits.

LEGAL MATTERS

Pending Litigation

There is no pending litigation or, to the knowledge of the Village, threatened litigation, which would restrain or enjoin the issuance, sale, execution or delivery of the Securities or in any way contest or affect the validity of the Securities or of any proceedings of the Village taken with respect to the issuance and sale of the Securities.

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 the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% 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 Securities were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Securities.

Legal Matters

Certain legal matters incident to the authorization and issuance of the Securities are subject to the approval of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, whose approving legal opinions will be available at the time of the delivery of the Securities. The proposed forms of such opinions are attached hereto as Appendix B.

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Securities. 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 Securities 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 Securities for any investor.

Tax Exemption

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

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

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

Prospective purchasers of the Securities should be aware that ownership of the Securities 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 Securities 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 Securities. 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 Securities may be enacted. Prospective purchasers of the Securities 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.

See Appendix B “Proposed Forms of Legal Opinions”.

Not Qualified Tax-Exempt Obligations

The Securities are NOT "qualified tax-exempt obligations" for purposes of Section 265 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.

Original Issue Discount

To the extent that the initial public offering price of certain of the Securities is less than the principal amount payable at maturity, such Securities ("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 Securities is more than the principal amount payable at maturity, such Securities ("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.

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

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 Securities would not occur.

MISCELLANEOUS

Ratings

A rating on the Securities has been requested from S&P Global Ratings, a division of S&P Global (“S&P”).

Currently, S&P maintains its "AA" rating and stable outlook on the Village's previously issued long-term general obligation debt.

The rating reflects only the view of S&P, and an explanation of the significance of such rating may be obtained therefrom. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either upward or downward, or withdrawn entirely, by S&P if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Securities.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Securities, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading “Continuing Disclosure” neither the Village nor the Underwriter undertake responsibility to bring to the attention of the owners of the Securities any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

Continuing Disclosure

Undertaking to Provide Continuing Disclosure. In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the Village shall covenant pursuant to the Resolutions adopted by the Village Board to enter into undertakings (the "Undertakings") for the benefit of holders including beneficial holders of the Securities to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notice of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertakings, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificates to be executed and delivered by the Village at the time the Securities are delivered. Such Certificates will be in substantially the forms attached hereto as Appendix C. A failure by the Village to comply with the Undertakings will not constitute an event of default on the Securities (although holders will have the right to obtain specific performance of the obligations under the Undertakings). Nevertheless, such a 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 Securities in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Securities and their market price.

In the previous five years the Village has not failed to comply in all material respects with any previous undertakings under the Rule.

The Village will be required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

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. On March 25, 2020, Wisconsin's "safer-at-home" order (the "Order") went into effect, which orders the closure of all non-essential business and operations until April 24, 2020 and was extended until May 26, 2020 (with certain exceptions as provided in the Order). In addition, the deadline for payment of State income taxes was extended to match the federal deadline of July 15, 2020.

On April 16, 2020, former President Trump outlined a "Guidelines for Opening America Again" plan that included a phased approach to re-opening economic activity and easing social distancing guidelines. On April 20, 2020, Governor Evers released his "Badger Bounce Back" plan that included a similar phased approach based on the federal 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 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. In addition, the ruling did not change the mandated closure of school buildings through June 30, 2020. On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without an occupancy limit), with certain exceptions. Emergency Order #3 expired November 6, 2020.

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 April 29, 2020, Governor Evers' administration announced plans to cut many state operations by 5%. On July 22, 2020, Governor Evers announced that he directed the Wisconsin Department of Administration to identify $250 million in cost savings for fiscal year 2020-21. While the Wisconsin Legislative Fiscal Bureau ("LFB") had released memoranda in May, June and July that showed tax collections for the State were below collections during the same periods in 2019, an August 31, 2020 memorandum by the LFB reported that preliminary general fund tax collections for the State's 2019-20 fiscal year were 1.1% higher than collections during the State's 2018-19 fiscal year. In late September 2020, it was reported that Governor Evers' administration directed State agencies to cut an aggregate of $301 million from their current budgets.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute $190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of $5,000. The Village's allocation is $132,288. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional $130.2 billion, including $45.6 billion for cities, through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue, and economic hardship related to the COVID-19 pandemic. The State's allocation and the subsequent allocations to individual municipalities are not yet available.

Underwriting

Pursuant to a bond purchase agreement with the Village, Huntington Securities, Inc. dba Huntington Capital Markets (the "Underwriter") has agreed to purchase all of the Bonds, if any of the Bonds are purchased, upon the satisfaction of certain conditions set forth in the bond purchase agreement. The Underwriter has agreed to purchase the Bonds from the Village at a price of $____________. The Underwriter intends to reoffer the Bonds to the public at the initial public offering prices or yields as shown on the inside cover of this Official Statement to produce a reoffering price of $__________________. The Underwriter's compensation for this issue is the difference between the purchase price and the reoffering price, less all expenses. The Bonds may be offered to certain dealers at prices lower than such public offering prices or yields and such public offering prices or yields may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public.

Pursuant to a note purchase agreement with the Village, the Underwriter has agreed to purchase all of the Notes if any of the Notes are purchased, upon the satisfaction of certain conditions set forth in the note purchase agreement. The Underwriter has agreed to purchase the Notes from the Village at a price of $____________. The Underwriter intends to reoffer the Notes to the public at the initial public offering prices or yields as shown on the inside cover of this Official Statement to produce a reoffering price of $__________________. The Underwriter's compensation for this issue is the difference between the purchase price and the reoffering price, less all expenses. The Notes may be offered to certain dealers at prices lower than such public offering prices or yields and such public offering prices or yields may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public.

CERTIFICATES CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Securities, the President and Clerk/Treasurer of the Village will deliver to the purchaser of the Securities certificates stating that, to the best of their knowledge, this Official Statement did not as of its date and as of the sale date and does not, as of the date of delivery of the Securities, contain an untrue statement of a material fact or omit to state a material fact required to be included therein for the purpose for which this Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made not misleading.

VILLAGE OF MUKWONAGO

By ______________________________

Clerk/Treasurer

APPENDIX A

AUDITED FINANCIAL STATEMENTS
OF
VILLAGE OF MUKWONAGO
FOR THE YEAR ENDED DECEMBER 31, 2019

VILLAGE OF MUKWONAGO

Mukwonago, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

VILLAGE OF MUKWONAGO

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As of and for the Year Ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Mukwonago
Mukwonago, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Mukwonago's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Mukwonago'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.

Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

To the Village Board
Village of Mukwonago

Opinions

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

Emphasis of Matters

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

As discussed in Note I, Village of Mukwonago adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* effective January 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mukwonago's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
May 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of Mukwonago's management offers this overview and analysis of the Village's financial activities for the fiscal year ended December 31, 2019. Readers are encouraged to consider the information presented here in conjunction with the information provided in the audited Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

- The Governmental Activities reported an ending net position of $4,788,533 at the close of 2019, an increase of $2,304,372 in net position over the prior year.
- The Business-Type Activity reported $30,302,160 for 2019, an increase of $837,091 in net position over the prior year.
- The combined assets and deferred outflows of resources for the Governmental and Business-Type Activity of the Village of Mukwonago exceeded its liabilities and deferred inflows of resources at the close of 2019 by $35,090,693 and its net position increased by $3,141,463 for the same period.
- The Governmental Funds reported ending fund balances of $12,129,672 which is an increase of $3,021,113 from 2018.
- $1,575,596 (unassigned fund balance) of the Governmental Funds fund balances is available to spend at the Village Board's discretion. This is 13% of the total fund balances for Governmental Funds. Of the total unassigned amount, $1,626,198 is unassigned in the General Fund which is 32% of the General Fund's 2020 budgeted expenditures.
- In 2019, the Village issued $4,225,000 in General Obligation Notes to fund capital projects and capital equipment replacements for Public Works, the Village Hall and the Police Department and $2,375,000 in General Obligation Taxable Refunding Bonds to refinance a 2014 debt.
- Through scheduled debt payments and payoffs, the Village paid down $4,897,625 in General Obligation debt and $802,504 in Revenue Bonds and $150,000 in Bond Anticipation Notes (BANs) in 2019. The net effect of all 2019 debt activity including premium amortization is an overall debt increase of $726,812. The Village will pay down a total of $3,028,434 in General Obligation debt and $988,261 in Revenue Bonds and BANs in 2020.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

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

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Village maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Fire and Ambulance fund, Debt Service fund, Tax Incremental District No. 3 fund, Tax Incremental District No. 5 fund and Community Development fund which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non- major government funds is provided in the form of *combining statements* elsewhere in this report.

The Village adopts an annual appropriated budget for all governmental funds and proprietary funds as required by state statute. A budgetary comparison statement has been provided as required supplementary information for the general fund and fire and ambulance fund to demonstrate compliance with the adopted budget. In addition, in the supplementary information the Village has provided a detailed budgetary comparison for the general fund.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The Village maintains a Tax Collection fund which is a fiduciary fund. The accounting for fiduciary funds is much like that used for governmental funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-69 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

Supplementary information. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information along with detailed schedules of revenues and expenditures for the general fund. Combining statements and schedules can be found on pages 73-81 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position is a useful indicator of a government's financial position. The Village's combined total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,090,693 at the close of the most current fiscal year, as presented in the following table.

VILLAGE OF MUKWONAGO NET POSITION
As of December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Current and other assets	$ 21,694,190	$ 19,649,090	$ 5,445,213	$ 8,124,172
Capital assets	31,623,610	30,541,956	39,037,978	36,604,044
Total assets	53,317,800	50,191,046	44,483,191	44,728,216
Deferred outflows of resources	2,521,702	1,424,779	565,304	432,191
Current and other liabilities	1,378,819	1,838,697	517,271	572,003
Long-term liabilities	40,792,872	38,197,180	14,045,574	14,939,623
Total liabilities	42,171,691	40,035,877	14,562,845	15,511,626
Deferred inflows of resources	8,879,278	9,095,787	183,490	183,712
Net position				
Net investment in capital assets	4,190,285	2,263,796	26,627,178	23,236,532
Restricted	3,865,675	1,647,127	1,170,559	1,752,981
Unrestricted (deficit)	(3,267,427)	(1,426,762)	2,504,423	4,475,556
Total net position	$ 4,788,533	$ 2,484,161	$ 30,302,160	$ 29,465,069

Net position is comprised of three components:

- *Net investment in capital assets* reflects the Village's investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets. The Village uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment of capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted* represents resources that are subject to external restrictions on how they may be used.
- *Unrestricted* is the remaining amount available to spend at the Village Board's discretion.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

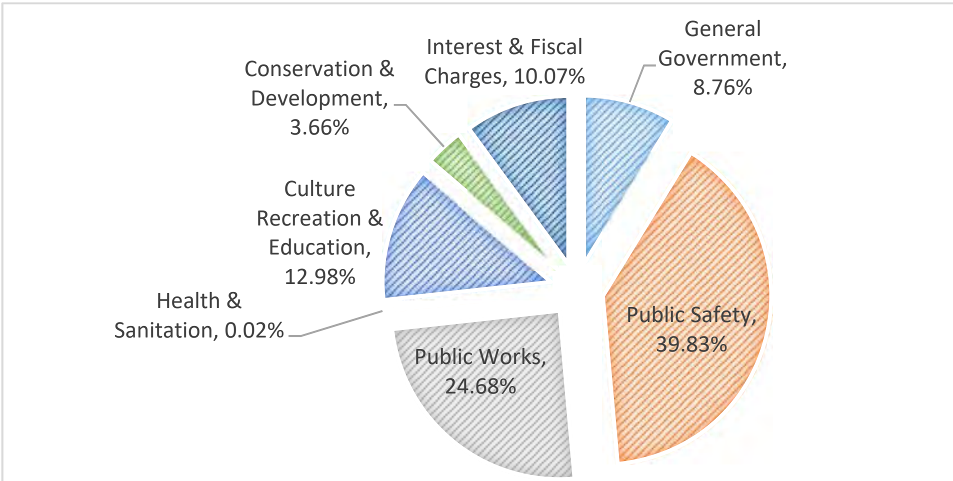
Governmental and Business-Type Activities. Governmental activities increased the Village's net position by $2,304,372 and Business-Type activities increased the Village's net position by $837,091. The net effect is an overall increase in the Village's total net position of $3,141,463.

VILLAGE OF MUKWONAGO CHANGES IN NET POSITION
For the years ending December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues				
Program revenues				
Charges for services	$ 2,456,581	$ 2,334,385	$ 4,060,037	$ 3,819,263
Operating grants and contributions	1,455,474	1,404,848	-	-
Capital grants and contributions	1,294,121	159,327	514,988	2,871,388
General revenues				
Property and other taxes	6,684,860	6,566,506	-	-
Intergovernmental revenues not restricted to specific programs	429,787	376,249	-	-
Investment income	387,958	339,280	193,926	144,148
Gain on sale of land	1,047,788			
Other	149,691	62,526	-	-
Total revenues	13,906,260	11,243,121	4,768,951	6,834,799
Expenses				
General government	1,014,083	909,291	-	-
Public safety	4,611,656	4,227,246	-	-
Public works	2,856,895	6,489,479	-	-
Health and sanitation	2,746	2,680	-	-
Culture, recreation and education	1,502,479	1,502,608	-	-
Conservation and development	424,248	4,537,561	-	-
Interest and fiscal charges	1,165,341	1,203,998	-	-
Water Utility	-	-	1,922,618	1,643,909
Sewer Utility	-	-	2,033,682	1,817,857
Total expenses	11,577,448	18,872,863	3,956,300	3,461,766
Transfers	(24,440)	211,597	24,440	(211,597)
Increase (decrease) in net position	2,304,372	(7,418,145)	837,091	3,161,436
Net position - January 1	2,484,161	9,902,306	29,465,069	26,303,633
Net position - December 31	$ 4,788,533	$ 2,484,161	$ 30,302,160	$ 29,465,069

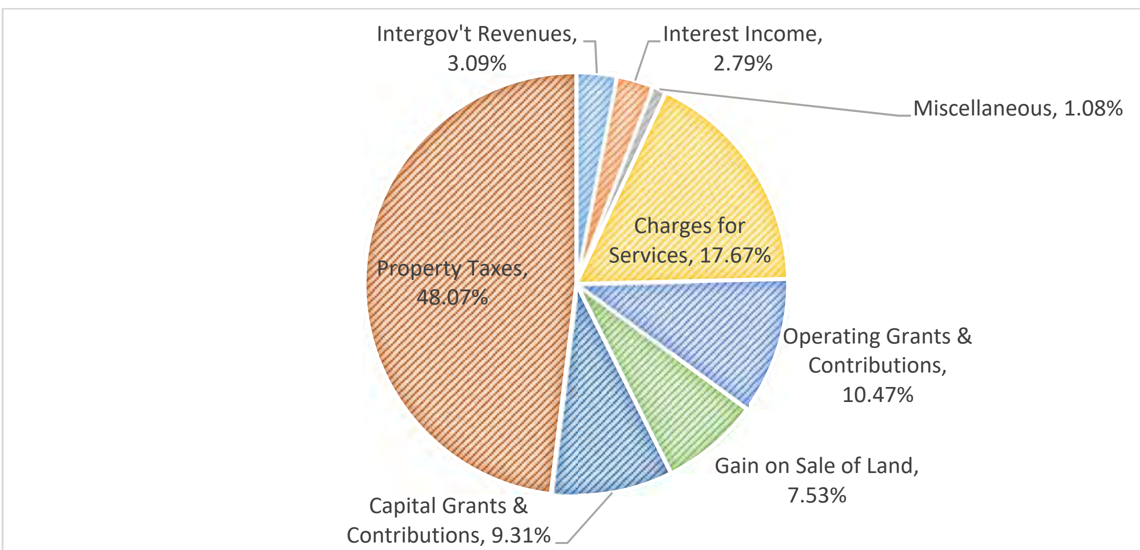
EXPENSES BY FUNCTION – GOVERNMENTAL ACTIVITIES

The graph below shows the percentage of the total governmental activities expenses allocated by each function type.



PROGRAM AND GENERAL REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

The graph below shows the percentage of the total governmental activities revenues allocated by each revenue type.



Business-type activities. Business-type activities increased the Village's net position by $837,091. The operating income from business-type activities was $619,300, with net non-operating expenses of $321,637 and capital contributions and transfer activity of $539,428. Operating revenue for the current fiscal year was $4,059,178 with the operating expense of $3,439,878.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Village of Mukwonago uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The following chart shows each Governmental Fund's ending fund balance grouped by its fund balance categorization. For 2019, the percentage shown is of the total 2019 fund balance. There is also comparison to the prior year and an explanation of the change between the two years if significant. The fund balance categories shown in the chart are described as follows:

- Nonspendable – fund balances are not in a spendable form
    - Prepaid items – these exist for every operating fund at year end and represent the health insurance premium that is paid one month in advance
    - Advances to other funds – the General Fund advance to the TID No. 4
- Restricted – Constraints are placed on the use of funds by external factors, constitutional provisions, or enabling legislation
    - Special assessments, impact fees, tax increments and grants
- Committed – Constraints are placed on the use of funds for specific purposes via formal action by the Village Board
    - Capital improvements and equipment funds; Fire Dept, Library & Recycling operating funds
- Assigned – Constraints are placed on the use of funds for specific purposes by the Village Board but can be reallocated by a Village Board designee
    - Accrued sick leave, Fire Dept capital and Village designated use funds
- Unassigned – funds are available for spending at the Village's discretion, net of negative fund balances

Fund Balances as listed in the Balance Sheet for Governmental Funds	2019	% of Total	2018	Increase (Decrease) from Prior Year	% Change from Prior Year Increase (Decrease)	Explanation of Change
Nonspendable Fund Balances						
General Fund	$ 39,323		$ 39,323	$ -	0.0%	General Fund advance to TID #4
Various - Prepaid	111,527		57,451	54,076	94.1%	Increase in prepaid health insurance and risk insurance costs
	$ 150,850	**1%**	**$ 96,774**	**$ 54,076**	**55.9%**	
Restricted Fund Balances						
Debt Service	$ 731,441		$ 620,291	$ 111,150	17.9%	Collection of special assessments
TID #3	1,055,052		892,581	162,471	18.2%	Increase in increment over prior year
TID #5	3,674,654		2,585,257	1,089,397	42.1%	Sale of property in TID 5
Stormwater	58,349		46,585	11,764	25.3%	Building reserve for future pond dredging project
Library	207,255		174,895	32,360	18.5%	Cost savings to replenish reserves
Impact Fees	252,621		139,019	113,602	81.7%	Development activity
	$ 5,979,372	**49%**	**$ 4,458,628**	**$ 1,520,744**	**34.1%**	
Committed Fund Balances						
Fire Dept	$ 95,576		$ 111,638	$ (16,062)	-14.4%	Use of reserves for equipment
Recycling	113,584		99,011	14,573	14.7%	New Development activity
Parkland Site	321,151		245,997	75,154	30.6%	New Development activity
Capital Projects	2,209,518		1,403,317	806,201	57.4%	Reserves for future project
Community Development	195,476		6,691	188,785	2821.5%	Transfer in of General Fund reserves
Revolving Loan	209,361		94,361	115,000	121.9%	Defederalization of CDBG grant
Capital Equipment	308,714		196,663	112,051	57.0%	Reserves for future equipment
	$ 3,453,380	**28%**	**$ 2,157,678**	**$ 1,295,702**	**60.1%**	
Assigned Fund Balances						
GF - Accrued Sick Leave	$ 402,304		$ 393,302	$ 9,002	2.3%	Use of reserves for payouts
GF - Ambulance Capital	256,093		233,122	22,971	9.9%	Restored Prior Year use of Reserves
GF - Village Designated Use	312,077		175,915	136,162	77.4%	Restored Prior Year use of Reserves
	$ 970,474	**8%**	**$ 802,339**	**$ 168,135**	**21.0%**	
Unassigned Fund Balances						
General Fund	$ 1,626,198		$ 1,632,102	$ (5,904)	-0.4%	
TID #4	(50,602)		(38,962)	(11,640)	29.9%	General Fund Advance to TID #4
	$ 1,575,596	**13%**	**$ 1,593,140**	**$ (17,544)**	**-1.1%**	
Total Governmental Funds Fund Balance	**$ 12,129,672**	**100%**	**$ 9,108,559**	**$ 3,021,113**	**33.2%**	

General Fund budgetary highlights. The total appropriations, including those for transfers out, were $5,426,026. Actual expenditures and transfers out were $5,033,555, resulting in a $392,471 favorable variance. Total revenues and other financing sources were $5,226,529, $199,497 less than the final budget. Details can be found in the required supplemental information at the back of this report.

Fire and Ambulance budgetary highlights. The total appropriations, including those for transfers out, were $1,400,518. Actual expenditures and transfers out were $1,411,504, resulting in a $10,986 unfavorable variance. Total revenues and other financing sources were $1,418,285, $24,429 less than the final budget. Details can be found in the required supplemental information at the back of this report.

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

User charge rates for the Water Utility and Sewer Utility funds were implemented in December 2018 and January 2019, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village of Mukwonago's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to $70,661,588 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, roads, storm sewers, library collection, and software.

VILLAGE OF MUKWONAGO'S CAPITAL ASSETS
(net of accumulated depreciation)
As of December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Land	$ 1,909,628	$ 1,909,628	$ 601,764	$ 601,764
Construction in progress	268,405	2,426,020	1,356,761	4,649,705
Land improvements	2,179,989	1,450,537	-	-
Buildings and improvements	8,709,836	8,898,799	35,802,092	30,181,442
Machinery and equipment	2,562,173	2,475,408	1,162,246	1,056,018
Roads	11,712,986	10,630,819	-	-
Storm sewers	3,787,172	2,335,379	-	-
Library collection	378,234	388,027	-	-
Intangible assets	115,187	27,339	115,115	115,115
Total	$ 31,623,610	$ 30,541,956	$ 39,037,978	$ 36,604,046

Additional information on the Village's capital assets can be found in Note III.D.

CAPITAL ASSET AND DEBT ADMINISTRATION cont.)

Long-term obligations. At the end of the current fiscal year, the Village had total debt outstanding of $54,838,447. Of this amount, $26,545,298 comprises debt backed by the full faith and credit of the government, with related premiums balance of $804,384. There is $11,657,137 of revenue bonds outstanding and $13,755,000 in Bond Anticipation Notes that are financed by user fees, with related premiums balance of $419,912. The remainder of the Village's obligations represents accumulated sick pay benefits, net pension liabilities and amounts due to other governments.

VILLAGE OF MUKWONAGO'S LONG TERM OBLIGATIONS
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation debt	$ 26,545,298	$ 24,842,923	$ -	$ -
Premiums	804,384	755,695	419,912	491,660
Compensated absences	597,524	558,562	11,075	8,322
Net Pension Liability (asset)	920,666	-	127,451	-
Due to other governments	-	115,000	-	-
Revenue bonds	-	-	11,657,137	12,459,641
Bond Anticipation Notes	11,925,000	11,925,000	1,830,000	1,980,000
Total	$ 40,792,872	$ 38,197,180	$ 14,045,575	$ 14,939,623

The net effect of all debt activity during the current year was total debt increased by $726,812.

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation of taxable property within the Village's jurisdiction. The current debt limitation for the Village is $46,306,875. Total general obligation debt outstanding at year end was $26,545,298. Additional information on the Village of Mukwonago's long-term debt can be found in Note III.F.

ECONOMIC FACTORS AND OTHER BUDGET NOTES

The Village makes every attempt to balance annual operating budgets without using reserve funds. Departments are charged with keeping expenditures in line with conservative revenue forecasts and have been largely successful in staying within budget. Some departments were able to realize savings to use towards planned capital purchases, reducing the need to find other funding sources. In addition, the Village utilizes a five year capital plan to ensure equipment replacement and capital improvement projects remain on track for future funding consideration.

In the process of issuing debt in 2019, Standard & Poor's financial rating service evaluated the Village's financial information and assigned the following ratings for both the new debt and affirmed the rating for existing obligations:

AA/Stable for the new General Obligation Promissory Note
AA/Stable for the taxable General Obligation Refunding Bond
AA/Stable long-term rating affirmed for General Obligation Debt

Factors that contributed to the ratings include:

- Very strong budgetary flexibility with available fund balances in fiscal 2017 of 48% of operating expenditures.
- Very strong liquidity, with total government available cash at 84.0% of total governmental fund expenditures and 2.3x governmental debt service.
- Strong management with good financial policies and practices under S&P's Financial Management Assessment methodology:
  - Adopted policies related to fund balance and debt
  - Monthly reporting of budget-to-actual results and treasury balances to the Village board
  - A multi-year capital plan
- Strong budgetary performance with an operating surplus in the general fund and a slight operating surplus at the total government fund level in fiscal 2017.
- Strong economy with access to a broad-and-diverse metropolitan statistical area (MSA).

Residential properties represent 69.4% of the tax base, commercial properties are 24.0%, manufacturing properties are 4.6% and agriculture, undeveloped and personal property tax combined are the final 2.0%. As part of its strategic plan, the Village continues to actively seek business growth to better balance the residential tax revenues.

In early 2019, the Village completed the infrastructure projects in Tax Increment District No. 5 which was created in the prior year. To date, three developments have been completed and the district has begun generating tax increment. Interest in the industrial park remains high and we expect it to be built out much sooner than originally projected.

Tax Increment District No. 4 is currently being developed with anticipated completion of four apartment buildings by the end of 2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Mukwonago's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to: Diana Doherty, Finance Director, Village of Mukwonago, 440 River Crest Court, P.O. Box 206, Mukwonago, WI 53149.

BASIC FINANCIAL STATEMENTS

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VILLAGE OF MUKWONAGO

STATEMENT OF NET POSITION
As of December 31, 2019

	Governmental Activities	Business - type Activities	Totals
ASSETS			
Cash and investments	$ 12,851,649	$ 2,206,325	$ 15,057,974
Receivables:			
Taxes	7,428,586	5,140	7,433,726
Accounts, net of allowance	287,450	868,752	1,156,202
Due from developer	500,000	-	500,000
Special assessments	225,948	89,929	315,877
Due from other governmental units	18,207	-	18,207
Internal balances	270,823	(270,823)	-
Inventories and prepaid items	111,527	35,048	146,575
Restricted Assets:			
Cash and investments	-	2,510,842	2,510,842
Capital Assets:			
Land	1,909,628	601,764	2,511,392
Construction in progress	268,405	1,356,761	1,625,166
Intangible assets	-	115,115	115,115
Other capital assets, net of depreciation	29,445,577	36,964,338	66,409,915
Total Assets	53,317,800	44,483,191	97,800,991
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	190,051	190,051
Pension related items	2,521,702	375,253	2,896,955
Total Deferred Outflows of Resources	2,521,702	565,304	3,087,006
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	55,839,502	45,048,495	100,887,997
LIABILITIES			
Accounts payable and accrued liabilities	1,336,828	487,271	1,824,099
Deposits	41,991	30,000	71,991
Noncurrent Liabilities:			
Due within one year	3,127,981	990,106	4,118,087
Due in more than one year	37,664,891	13,055,468	50,720,359
Total Liabilities	42,171,691	14,562,845	56,734,536
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,275,577	183,490	1,459,067
Unearned revenue	7,603,701	-	7,603,701
Total Deferred Inflows of Resources	8,879,278	183,490	9,062,768
NET POSITION			
Net investment in capital assets	4,190,285	26,627,178	25,818,587
Restricted for			
Debt service	790,261	67,116	857,377
Tax incremental financing	2,550,440	-	2,550,440
Library	213,363	-	213,363
Stormwater	58,990	-	58,990
Impact fees	252,621	635,878	888,499
Equipment replacement	-	467,565	467,565
Unrestricted (deficit)	(3,267,427)	2,504,423	4,235,872
TOTAL NET POSITION	$ 4,788,533	$ 30,302,160	$ 35,090,693

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 1,014,083	$ 167,370	$ 133,868	$ -
Public safety	4,611,656	1,542,171	133,337	238,781
Public works	2,856,895	694,202	540,344	897,595
Health and sanitation	2,746	-	-	-
Culture, recreation and education	1,502,479	52,293	647,925	157,745
Conservation and development	424,248	545	-	-
Interest and fiscal charges	1,165,341	-	-	-
Total Governmental Activities	11,577,448	2,456,581	1,455,474	1,294,121
Business-type Activities				
Water Utility	1,922,618	2,100,977	-	244,381
Sewer Utility	2,033,682	1,959,060	-	270,607
Total Business-type Activities	3,956,300	4,060,037	-	514,988
Total	$ 15,533,748	$ 6,516,618	$ 1,455,474	$ 1,809,109

General revenues
Taxes
Property taxes levied for general purposes
Property taxes levied for debt service
Property taxes levied for TIF
Other taxes
Intergovernmental revenues not restricted to specific programs
Investment income
Gain on sale of land
Miscellaneous
Total general revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to the financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business - type Activities	Totals
$ (712,845)	$ -	$ (712,845)
(2,697,367)	-	(2,697,367)
(724,754)	-	(724,754)
(2,746)	-	(2,746)
(644,516)	-	(644,516)
(423,703)	-	(423,703)
(1,165,341)	-	(1,165,341)
(6,371,272)	-	(6,371,272)
-	422,740	422,740
-	195,985	195,985
-	618,725	618,725
(6,371,272)	618,725	(5,752,547)
3,685,330	-	3,685,330
2,194,034	-	2,194,034
792,039	-	792,039
13,457	-	13,457
429,787	-	429,787
387,958	193,926	581,884
1,047,788	-	1,047,788
149,691	-	149,691
8,700,084	193,926	8,894,010
(24,440)	24,440	-
2,304,372	837,091	3,141,463
2,484,161	29,465,069	31,949,230
$ 4,788,533	$ 30,302,160	$ 35,090,693

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	Special Revenue Fund Fire and Ambulance Fund
ASSETS		
Cash and investments	$ 2,727,665	$ 171,214
Receivables:		
Taxes	2,671,895	222,854
Accounts, net of allowance	106,097	113,305
Due from developer	-	-
Special assessments	-	-
Due from other governments	-	18,207
Due from other funds	60,672	-
Advance to other fund	39,323	-
Prepaid items	75,172	29,514
TOTAL ASSETS	$ 5,680,824	$ 555,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	$ 132,265	$ 20,778
Accrued liabilities	117,429	33,135
Deposits	41,991	-
Due to other funds	-	24,346
Due to other goverments	6,077	24,320
Advances from other fund	-	-
Total Liabilities	297,762	102,579
Deferred Inflows of Resources		
Unavailable revenue	-	104,571
Unearned revenue	2,671,895	222,854
Total Deferred Inflows of Resources	2,671,895	327,425
Fund Balances		
Nonspendable	114,495	29,514
Restricted	-	-
Committed	-	95,576
Assigned	970,474	-
Unassigned (deficit)	1,626,198	-
Total Fund Balances	2,711,167	125,090
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,680,824	$ 555,094

See accompanying notes to the financial statements.

Debt Service Fund	Capital Projects Fund Tax Incremental District No. 3 Fund	Capital Projects Fund Tax Incremental District No. 5 Fund	Capital Projects Fund Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 731,441	$ 1,055,052	$ 4,021,156	$ 209,851	$ 3,935,270	$ 12,851,649
2,457,442	909,717	245,776	-	920,902	7,428,586
-	-	10,613	-	57,435	287,450
-	-	500,000	-	-	500,000
212,934	13,014	-	-	-	225,948
-	-	-	-	-	18,207
-	-	-	-	-	60,672
-	-	245,776	-	-	285,099
-	-	-	-	6,841	111,527
$ 3,401,817	$ 1,977,783	$ 5,023,321	$ 209,851	$ 4,920,448	$ 21,769,138
$ -	$ -	$ 357,115	$ 14,375	$ 291,808	$ 816,341
-	-	-	-	20,440	171,004
-	-	-	-	-	41,991
-	-	-	-	11,279	35,625
-	-	-	-	-	30,397
-	-	-	-	39,323	39,323
-	-	357,115	14,375	362,850	1,134,681
296,513	-	500,000	-	-	901,084
2,373,863	922,731	491,552	-	920,806	7,603,701
2,670,376	922,731	991,552	-	920,806	8,504,785
-	-	-	-	6,841	150,850
731,441	1,055,052	3,674,654	-	518,225	5,979,372
-	-	-	195,476	3,162,328	3,453,380
-	-	-	-	-	970,474
-	-	-	-	(50,602)	1,575,596
731,441	1,055,052	3,674,654	195,476	3,636,792	12,129,672
$ 3,401,817	$ 1,977,783	$ 5,023,321	$ 209,851	$ 4,920,448	$ 21,769,138

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

Total Fund Balances - Governmental Funds	$ 12,129,672
Amounts reported for governmental activities in the statement of net position are different because different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds	
Land	1,909,628
Construction in progress	268,405
Other capital assets	47,118,979
Less: Accumulated depreciation/amortization	(17,673,402)
Deferred outflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	2,521,702
Deferred inflows of resources related to pension do not related to current financial resources and are not reported in the governmental funds.	(1,275,577)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	901,084
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(39,274,682)
Compensated absences	(597,524)
Net pension liability	(920,666)
Accrued interest	(319,086)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 4,788,533

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	General Fund	Special Revenue Fund Fire and Ambulance Fund
REVENUES		
Taxes	$ 2,622,943	$ 218,484
Special assessments	-	-
Intergovernmental	834,756	9,790
Licenses and permits	637,685	-
Fines, forfeitures and penalties	179,023	-
Public charges for services	36,309	934,513
Intergovernmental charges for services	197,904	227,892
Investment income	122,302	1,772
Other revenues	154,021	6,777
Total Revenues	4,784,943	1,399,228
EXPENDITURES		
Current		
General government	771,287	-
Public safety	2,475,218	1,372,079
Public works	842,931	-
Health and human services	2,746	-
Culture, recreation and education	171,459	-
Conservation and development	211,051	-
Capital Outlay	49,456	39,425
Debt Service		
Principal	-	-
Interest and fees	-	-
Total Expenditures	4,524,148	1,411,504
Excess (deficiency) of revenues over expenditures	260,795	(12,276)
OTHER FINANCING SOURCES (USES)		
Transfers in	438,051	9,407
Transfers out	(509,407)	-
Debt issued	-	-
Premium on debt issued	-	-
Proceeds from sale of land	-	-
Proceeds from sale of capital assets	3,535	9,650
Total Other Financing Sources (Uses)	(67,821)	19,057
Net Change in Fund Balances	192,974	6,781
FUND BALANCES - Beginning of Year	2,518,193	118,309
FUND BALANCES - END OF YEAR	$ 2,711,167	$ 125,090

See accompanying notes to the financial statements.

Debt Service Fund	Capital Projects Fund Tax Incremental District No. 3 Fund	Capital Projects Fund Tax Incremental District No. 5 Fund	Capital Projects Fund Community Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,194,034	$ 792,039	$ -	$ -	$ 900,264	$ 6,727,764
107,595	23,321	-	-	-	130,916
-	20,521	-	-	549,482	1,414,549
-	-	790,000	-	321,786	1,749,471
-	-	-	-	-	179,023
-	-	-	-	231,317	1,202,139
-	-	-	-	107,529	533,325
56,410	28,009	80,483	693	99,682	389,351
-	39,825	57,008	-	266,836	524,467
2,358,039	903,715	927,491	693	2,476,896	12,851,005
-	9,624	40,958	2,303	85,883	910,055
-	-	-	-	-	3,847,297
-	-	-	-	576,700	1,419,631
-	-	-	-	-	2,746
-	-	-	-	982,911	1,154,370
-	-	-	6,455	336	217,842
-	-	1,818,558	194,305	1,866,856	3,968,600
3,051,090	1,846,535	-	-	-	4,897,625
484,246	228,089	465,444	-	53,213	1,230,992
3,535,336	2,084,248	2,324,960	203,063	3,565,899	17,649,158
(1,177,297)	(1,180,533)	(1,397,469)	(202,370)	(1,089,003)	(4,798,153)
80,000	108,845	-	438,800	-	1,075,103
-	-	-	(47,645)	(125,000)	(682,052)
1,175,000	1,200,000	1,860,000	-	2,365,000	6,600,000
33,447	34,159	79,078	-	100,548	247,232
-	-	547,788	-	-	547,788
-	-	-	-	18,010	31,195
1,288,447	1,343,004	2,486,866	391,155	2,358,558	7,819,266
111,150	162,471	1,089,397	188,785	1,269,555	3,021,113
620,291	892,581	2,585,257	6,691	2,367,237	9,108,559
$ 731,441	$ 1,055,052	$ 3,674,654	$ 195,476	$ 3,636,792	$ 12,129,672

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

Net change in fund balances - total governmental funds	$ 3,021,113
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide statements	3,968,600
Some items reported as outlay were not capitalized	(1,260,292)
Depreciation is reported in the government-wide statements	(1,587,422)
Net book value of assets retired	(39,232)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Special assessments and ambulance bills	(23,728)
Developer receivable	500,000
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(6,600,000)
Principal repaid	4,897,625
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(38,962)
Accrued interest on debt	(132,892)
Net pension liability	(1,672,485)
Deferred inflows/outflows of resources related to pension	1,320,736
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense	
Premium on new debt	(247,232)
Amortization of debt premiums	198,543
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,304,372

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	$ 751,456	$ 1,454,869	$ 2,206,325
Receivables:			
Accounts	480,521	388,231	868,752
Taxes	2,654	2,486	5,140
Inventories	21,870	-	21,870
Prepaid items	7,308	5,870	13,178
Restricted Asset:			
Cash and investments	51,264	49,938	101,202
Total Current Assets	1,315,073	1,901,394	3,216,467
Noncurrent Assets			
Restricted Assets:			
Cash and investments	598,701	1,810,939	2,409,640
Other Asset:			
Special assessments receivable	294	89,635	89,929
Capital Assets:			
Land	585,867	15,897	601,764
Construction in progress	1,305,435	51,326	1,356,761
Intangible assets	-	115,115	115,115
Other capital assets, net of depreciation	20,439,313	16,525,025	36,964,338
Total Noncurrent Assets	22,929,610	18,607,937	41,537,547
Total Assets	24,244,683	20,509,331	44,754,014
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	19,704	170,347	190,051
Pension related items	181,535	193,718	375,253
Total Deferred Outflows of Resources	201,239	364,065	565,304

See accompanying notes to the financial statements.

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	$ 268,311	$ 162,791	$ 431,102
Accrued liabilities	8,594	7,732	16,326
Accrued interest payable	3,339	2,418	5,757
Deposits	30,000	-	30,000
Advance due to other funds	245,776	-	245,776
Due to other funds	25,047	-	25,047
Current portion of bonds and notes payable	104,400	75,600	180,000
Current portion of compensated absenses	922	923	1,845
Liabilities Payable From Restricted Assets:			
Accrued interest payable	15,753	18,333	34,086
Current portion of revenue bonds	428,968	379,293	808,261
Total Current Liabilities	1,131,110	647,090	1,778,200
Noncurrent Liabilities			
Long-Term Debt:			
Net pension liability	64,350	63,101	127,451
Bonds and notes payable	5,906,529	7,012,258	12,918,787
Compensated absences	4,615	4,615	9,230
Total Noncurrent Liabilities	5,975,494	7,079,974	13,055,468
Total Liabilities	7,106,604	7,727,064	14,833,668
DEFERRED INFLOWS OF RESOURCES			
Pension related items	87,330	96,160	183,490
NET POSITION			
Net investment in capital assets	16,506,382	10,120,796	26,627,178
Restricted for			
Equipment replacement	-	467,565	467,565
Impact fees	2,741	633,137	635,878
Debt service	35,511	31,605	67,116
Unrestricted	707,354	1,797,069	2,504,423
TOTAL NET POSITION	$ 17,251,988	$ 13,050,172	$ 30,302,160

See accompanying notes to the financial statements.

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VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	$ 2,100,852	$ 1,958,326	$ 4,059,178
OPERATING EXPENSES			
Operation and maintenance	1,151,071	1,004,642	2,155,713
Depreciation	525,402	716,794	1,242,196
Taxes	22,745	19,224	41,969
Total Operating Expenses	1,699,218	1,740,660	3,439,878
Operating Income	401,634	217,666	619,300
NONOPERATING REVENUES (EXPENSES)			
Investment income	92,735	101,191	193,926
Miscellaneous income (expense)	125	734	859
Gain (loss) on asset disposal	(12,001)	(20,126)	(32,127)
Interest and fiscal charges	(211,399)	(272,896)	(484,295)
Total Nonoperating Revenues (Expense)	(130,540)	(191,097)	(321,637)
Income Before Capital Contributions and Transfers	271,094	26,569	297,663
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	441,606	490,873	932,479
Transfers in	-	10,000	10,000
Transfers out	(394,552)	(8,499)	(403,051)
Total Capital Contributions and Transfers	47,054	492,374	539,428
Change in Net Position	318,148	518,943	837,091
NET POSITION - Beginning of Year	16,933,840	12,531,229	29,465,069
NET POSITION - END OF YEAR	$ 17,251,988	$ 13,050,172	$ 30,302,160

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,163,552	$ 2,000,490	$ 4,164,042
Paid to suppliers for goods and services	(896,112)	(668,717)	(1,564,829)
Paid to employees for services	(270,218)	(252,283)	(522,501)
Net Cash Flows From Operating Activities	997,222	1,079,490	2,076,712
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	92,743	101,309	194,052
Net Cash Flows From Investing Activities	92,743	101,309	194,052
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(384,552)	(8,499)	(393,051)
Transfers in (out)	(10,000)	10,000	-
Net Cash Flows From Noncapital Financing Activities	(394,552)	1,501	(393,051)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(503,389)	(449,115)	(952,504)
Interest and fees paid	(245,905)	(261,094)	(506,999)
Advance from other funds	(790,000)	-	(790,000)
Special assessments received	32,737	33,410	66,147
Acquisition and construction of capital assets	(1,320,641)	(1,951,971)	(3,272,612)
Impact fees received	211,791	145,171	356,962
Net Cash Flows From Capital and Related Financing Activities	(2,615,407)	(2,483,599)	(5,099,006)
Net Change in Cash and Cash Investments	(1,919,994)	(1,301,299)	(3,221,293)
CASH AND CASH INVESTMENTS - Beginning of Year	3,321,415	4,617,045	7,938,460
CASH AND CASH INVESTMENTS - END OF YEAR	$ 1,401,421	$ 3,315,746	$ 4,717,167

See accompanying notes to the financial statements.

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	$ 401,634	$ 217,666	$ 619,300
Miscellaneous nonoperating activities	125	734	859
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	525,402	716,794	1,242,196
Depreciation charged to other funds	29,180	(29,180)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources			
Accounts receivable	771	70,610	71,381
Materials and supplies	3,614	-	3,614
Prepaid items	(5,016)	(2,403)	(7,419)
Due from municipality	32,624	-	32,624
Accounts payable	6,656	79,090	85,746
Due to municipality	(17,344)	-	(17,344)
Accrued liabilities	1,373	1,377	2,750
Compensated absences	1,513	1,424	2,937
Pension related deferrals and liabilities	15,690	23,378	39,068
Customer deposits	1,000	-	1,000
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 997,222	$ 1,079,490	$ 2,076,712
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments - statement of net position	$ 751,456	$ 1,454,869	$ 2,206,325
Restricted cash and investments - statement of net position	649,965	1,860,877	2,510,842
CASH AND CASH EQUIVALENTS	$ 1,401,421	$ 3,315,746	$ 4,717,167
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	$ 197,225	$ 220,266	
Special assessments levied	$ 32,590	$ 397,392	
Capital assets financed through accounts payable	$ 144,394	$ 36,730	
Amortization of debt premium	$ 35,434	$ 36,313	
Amortization of loss on refunding	$ (2,626)	$ (49,125)	
Advance from other funds	$ 159,860	$ -	

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Custodial Fund
	Tax Collection Fund
ASSETS	
Cash and investments	$ 8,454,608
Taxes receivable	185,835
Total Assets	8,640,443
LIABILITIES	
Accounts payable	20,806
Due to other governments	8,619,637
Total Liabilities	8,640,443
NET POSITION	$ -

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

	Custodial Fund Tax Collection Fund
ADDITIONS	
Tax collections	$ 8,376,277
Total Additions	8,376,277
DEDUCTIONS	
Payments to overlying districts	8,376,277
Total Deductions	8,376,277
Change in Fiduciary Net Position	-
NET POSITION - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying notes to the financial statements.

VILLAGE OF MUKWONAGO

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

NOTE		Page

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the government and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

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

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

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

The village reports the following major governmental funds:

General Fund – accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Fire and Ambulance Special Revenue Fund – accounts for resources legally restricted or committed to supporting expenditures for fire and ambulance services.

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

Tax Incremental District (TID) No. 3 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlines in the TID project plan.

Tax Incremental District (TID) No. 5 Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

Community Development Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned for the acquisition of land and/or major capital projects related to community development.

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

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

Fund Financial Statements (cont.)

The village reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.
Sewer Utility – accounts for operations of the sewer system.

The village reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure and capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Library	Recycling
Revolving Loan	Park Land Site
Impact Fee	Stormwater

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets as budgeted or as outlined in the plan for TID No. 4

Capital Equipment	Tax Incremental District (TID) No. 4
Capital Project Fund	

In addition, the village reports the following fund types:

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

Tax Collection Fund

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. At December 31, 2019, there were $396,160 of anticipated future assessments. This is not reported as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

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

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

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

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

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

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

1. *Deposits and Investments* (cont.)

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

d. The local government investment pool.

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

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

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

The village has adopted an investment policy. That policy follows the state statute for allowable investments and contains the following additional guidelines for allowable investments. Bank services will be provided by the official depositories approved annually by the Village Board. Prohibited investments include derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Village funds may only be placed in FDIC insured depository institutions. Deposits at individual depository institutions above $650,000 must be collateralized as to principal and interest with securities that are obligations of the U.S. Government or its agencies that are fully guaranteed by the U.S. Government or collateralized as to the principal and interest with promissory notes from borrowers of depository institutions that maintain a rating from Standard and Poor's of BBB or BBB- or a rating from Moody's of Baa. Deposits above $650,000 with depository institutions that maintain a rating from Standard & Poor's of AAA, AA, or A or a rating from Moody's of Aaa, Aa, or A are not required to be collateralized. Investments shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes affecting different types of securities. Time deposits may not exceed 3 years and debt that is not guaranteed as to principal and interest by the Federal Government or its Agencies or a Wisconsin municipality must have a maturity of not more than 7 years. Reserve funds may be invested in securities exceeding 7 years if the maturity of such investments coincides with the expected use of these funds and is approved by the Finance Committee.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized costs. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on comingled investments of municipal accounting funds is allocated on average balances. The difference between the bank statement and carrying value is due to outstanding checks and/or deposits in transit.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on assessed value as of the prior January 1. In addition to property taxes for the village, taxes are collected for remitted to the state and county governments as well as the local school district, Phantom Lakes Management district, and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities – agency fund.

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	April 30, 2020
Third installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term Interfund loans are reported as "due to and from other funds." Long-term Interfund loans (non-current portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

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

4. Restricted Assets

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

5. Capital Assets

Government –Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 for general capital assets and $5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Additions to and replacements of capital assets of business-type activities are reported at original cost, which includes material, labor, overhead, and allowance for the cost of funds used during construction when significant. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	50	Years
Land Improvements	20-50	Years
Machinery and Equipment	3-25	Years
Utility System	3-77	Years
Infrastructure	20-50	Years
Intangible Assets	8-10	Years
Library Collection	5-10	Years

Fund Financial Statements

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

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

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

The village does not accrue accumulated vacation or sick leave, but rather expenses these costs as they are paid. Vacation time is not cumulative from year to year. Accumulated sick leave benefits are paid upon retirement or termination if the employee has at least 20 years of full-time service with the village. Employees may accumulate a maximum of 120 days of sick leave

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRBs are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2019, the principal amount for the 2001 series outstanding was $230,962; the original issue amount was $2,300,000. In 2018, the village issued two new industrial revenue bonds. The original issue amounts were $8,000,000 and $3,836.755; the principal balances for the 2018 series bonds at December 31, 2019 were $7,858.352 and $3,836,755 respectively.

9. Deferred Inflows of Resources

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

10. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on November 26, 2018.

Sewer Utility

Current sewer rates were approved by the Village Board on December 17, 2013. New sewer rates for 2020 sewer billings were approved by the Village Board on November 12, 2019.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications

Government–Wide Statements

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

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

The net position section includes an adjustment for capital assets owned by the business-type activities column but financed by the debt of the governmental activities column. The amount is a reduction of “net investment in capital assets”, and an increase in “unrestricted” net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net Investment in capital assets	$ 4,190,285	$ 26,627,178	$ (4,998,876)	$ 25,818,587
Unrestricted (deficit)	(2,267,427)	2,504,423	4,998,876	5,235,872

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

Fund Statements

Governmental fund balances are displayed as follows:

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

b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

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

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following: 1) The village has adopted a financial policy authorizing the Village Administrator to assign amounts for specific purposes; 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

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

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

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

The village has a formal minimum fund balance policy to maintain a minimum fund balance of 25% of the subsequent year's General Fund budgeted expenditures. As of December 31, 2019, the village's unassigned fund balance was $1,626,198 which exceeded the required fund balance of $1,220,622.

See Note III. G. for further information.

12. Pension

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *EXCESS EXPENDITURES OVER APPROPRIATIONS*

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

B. *LIMITATIONS ON THE VILLAGE TAX LEVY*

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

C. *DEFICIT BALANCE*

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

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

Fund	Amount	Reason
Capital Projects Fund - Tax Incremental District No. 4	$ 50,602	Tax increment generated in 2019 was not enough to cover expenses incurred in 2019 to prepare the site for development.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Cash equivalents and investments as shown on the village's Statement of Net Position are subject to the following risks:

	Carrying Value	Statement Balance	Associated Risks
Deposits	$ 8,077,020	$ 8,128,353	Custodial credit
LGIP	17,946,004	17,946,004	Credit
Petty Cash	400	-	N/A
Total Deposits and Investments	$ 26,023,424	$ 26,074,357	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investment	$ 15,057,974
Restricted cash and investment	2,510,842
Per statement of assets and liabilities - agency fund	8,454,608
Total Deposits and Investments	$ 26,023,424

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

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

The village maintains collateral agreements with its banks. At December 31, 2019, the banks had pledged various government securities in the amount of $4,521,695 to secure the village's deposits.

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

The village does not have any deposits exposed to custodial credit risk.

Investments

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

The village does not have any investments exposed to custodial risk.

Credit Risk

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

The village held investments in the following external pools which are not rated:

LGIP

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

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for $212,934 of special assessments.

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 7,357,925	$ -
Ambulance receivable	-	104,571
Water impact fees for TID No. 5 Project	245,776	-
Amount due from TID No. 5 Developer Letter of Credit	-	500,000
Special assessments not yet due	-	212,934
Special assessments principal and interest on tax roll	-	83,579
Total Unearned/Unavailable Revenue for Governmental Funds	$ 7,603,701	$ 901,084

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Reserve — Used to report resources set aside to make up potential future deficiencies in redemption account.

Equipment Replacement Account

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

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Unspent funds after seven years from the date of receipt must be refunded to the current property owner.

Following is a list of restricted assets as of December 31, 2019:

	Restricted Assets
Water redemption - current	$ 51,264
Water reserve	595,960
Water impact fee	2,741
Sewer redemption - current	49,938
Sewer reserve	710,237
Sewer impact fee	633,137
Equipment replacement	467,565
Total	$ 2,510,842

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

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,909,628	$ -	$ -	$ 1,909,628
Construction in progress	2,426,020	210,752	2,368,367	268,405
Total Capital Assets Not Being Depreciated	4,335,648	210,752	2,368,367	2,178,033
Capital assets being depreciated/amortized				
Land improvements	1,831,573	813,229	-	2,644,802
Buildings	11,767,145	52,017	-	11,819,162
Machinery and equipment	5,231,417	437,357	314,583	5,354,191
Roads	19,937,509	1,848,242	-	21,785,751
Storm sewers	2,988,260	1,519,154	-	4,507,414
Library collection	799,130	84,179	93,118	790,191
Intangible assets	114,494	111,745	8,771	217,468
Total Capital Assets Being Depreciated/Amortized	42,669,528	4,865,923	416,472	47,118,979
Total Capital Assets	47,005,176	5,076,675	2,784,839	49,297,012
Less: Accumulated depreciation/amortization for				
Land improvements	(381,036)	(83,777)	-	(464,813)
Buildings	(2,868,346)	(240,980)	-	(3,109,326)
Machinery and equipment	(2,756,009)	(311,800)	275,791	(2,792,018)
Roads	(9,306,690)	(766,075)	-	(10,072,765)
Storm sewers	(652,881)	(67,361)	-	(720,242)
Library collection	(411,103)	(93,972)	93,118	(411,957)
Intangible assets	(87,155)	(23,457)	8,331	(102,281)
Total Accumulated Depreciation/Amortization	(16,463,220)	(1,587,422)	377,240	(17,673,402)
Net Capital Assets Being Depreciated/Amortized	26,206,308	3,278,501	39,232	29,445,577
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/Amortization	$ 30,541,956	$ 3,489,253	$ 2,407,599	$ 31,623,610

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

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	$ 63,486
Public Safety	261,130
Publice works, which includes depreciation of infrastructure	960,438
Culture, recreation and education	302,368
Total Governmental Activities Depreciation/Amortization Expense	$ 1,587,422

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated				
Land	$ 15,897	$ -	$ -	$ 15,897
Intangible assets	115,115	-	-	115,115
Construction in progress	2,222,648	-	2,171,322	51,326
Total Capital Assets Not Being Depreciated	2,353,660	-	2,171,322	182,338
Capital Assets Being depreciated				
Buildings and improvements	21,979,460	3,973,764	832,881	25,120,343
Machinery and equipment	1,930,053	139,473	60,074	2,009,452
Total Capital Assets Being Depreciated	23,909,513	4,113,237	892,955	27,129,795
Total Capital Assets	26,263,173	4,113,237	3,064,277	27,312,133
Less: Accumulated Depreciation for				
Buildings and improvements	(9,060,310)	(627,131)	832,880	(8,854,561)
Machinery and equipment	(1,729,675)	(60,483)	39,949	(1,750,209)
Total Accumulated Depreciation	(10,789,985)	(687,614)	872,829	(10,604,770)
Net Capital Assets Being Depreciated	13,119,528	3,425,623	20,126	16,525,025
Net Sewer Capital Assets	$ 15,473,188	$ 3,425,623	$ 2,191,448	$ 16,707,363

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated				
Land and land rights	$ 585,867	$ -	$ -	$ 585,867
Construction in progress	2,427,057	-	1,121,622	1,305,435
Total Capital Assets Not Being Depreciated	3,012,924	-	1,121,622	1,891,302
Capital assets being depreciated				
Buildings and improvements	22,175,339	2,702,378	4,294	24,873,423
Machinery and equipment	2,536,505	190,585	121,701	2,605,389
Total Capital Assets being Depreciated	24,711,844	2,892,963	125,995	27,478,812
Total Capital Assets	27,724,768	2,892,963	1,247,617	29,370,114
Less: accumulated depreciation for				
Buildings and improvements	(4,913,047)	(428,360)	4,294	(5,337,113)
Machinery and equipment	(1,680,865)	(126,221)	104,700	(1,702,386)
Total Accumulated Depreciation	(6,593,912)	(554,581)	108,994	(7,039,499)
Net Capital Assets Being Depreciated	18,117,932	2,338,382	17,001	20,439,313
Net Water Capital Assets	$ 21,130,856	$ 2,338,382	$ 1,138,623	$ 22,330,615
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 36,604,044	$ 5,764,005	$ 3,330,071	$ 39,037,978

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Sewer	$ 716,794
Water	525,402
Total Business-Type Activities Depreciation Expense	$ 1,242,196

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund - Fire and Ambulance Fund	$ 24,346
General Fund	Water Utility	25,047
General Fund	Capital Projects Fund - TID No.	11,279
Total Fund Financial Statements		60,672
Less: Fund Eliminations		(35,625)
Plus: Advances		245,776
Total Internal Balances - Government-Wide Statement of Net Position		$ 270,823

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	$ 270,823
Business-type Activities	Governmental Activities	-
Total Government-Wide Financial Statements		$ 270,823

All amounts are due within one year.

The principal purpose of these interfunds is the collection of special charges on the tax roll and the allocation of commingled cash and investment balances. All remaining balances resulted from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

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

Advances

The General Fund advanced funds to the Capital Projects Fund - Tax Increment District No. 4 fund to cover the deficiency of revenues over expenditures and other financing sources during the creation of the Tax Increment District. Repayment will occur as the district begins generating revenue.

The Capital Projects Fund - Tax Increment District No. 5 Fund advanced funds to the Water Utility Fund for the installation of a booster pump and water main oversizing, the cost of which will be recovered through current and future impact fees.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Due Within One Year
General Fund	Capital Projects Fund - Tax Increment District No. 4	$ 39,323	$ 39,323
Capital Projects Fund - Tax Increment District No. 5	Water Utility	245,776	245,776
Total Fund Financial Statements		285,099	
Less: Fund Eliminations		(39,323)	
Total - Interfund Advances - Government-Wide Statement of Net Position		$ 245,776	

Capital Projects Fund – Tax Incremental District No. 4 recorded its first increment in 2019 and the advance will be repaid from the revenues once a sufficient amount has been recognized.

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

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

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Sewer Utility	$ 8,499	Payment in lieu of taxes
General Fund	Water Utility	384,552	Payment in lieu of taxes
Debt Service Fund	Special Revenue Fund - Impact Fee Fund	80,000	To fund debt service
General Fund	Special Revenue Fund - Impact Fee Fund	45,000	Replenish reserve for funds used in fire station remodel
Capital Projects Fund - Community Development Fund	Capital Projects Fund - Tax Incremental District No. 3 Fund	47,645	Refund prior year engineering costs
Capital Projects Fund - Community Development Fund	General Fund	438,800	Reallocate funds for projects
Special Revenue Fund - Fire and Ambulance Fund	General Fund	9,407	Settlement with the Town
Capital Projects Fund - Tax Incremental District No. 3 Fund	General Fund	61,200	Transfer for building purposes
Sewer Utility	Water Utility	10,000	To pay for rental cost of equipment
Total - Fund Financial Statements		$ 1,085,103	
Less: Fund eliminations		(692,052)	
Less: Capital assets contributed to Enterprise Funds		(417,491)	
Total Transfers - Government-Wide Statement of Activities		$ (24,440)	

Transfer In	Transfer Out	Amount
Governmental Activities	Business-type Activities	$ 393,051
Business-type Activities	Governmental Activities	(417,491)
Total Government-Wide Financial Statements		$ (24,440)

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

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds & Notes Payable					
General obligation debt	$ 24,842,923	$ 6,600,000	$4,897,625	$ 26,545,298	$ 3,028,434
Bond anticipation notes	11,925,000	-	-	11,925,000	-
Premiums	755,695	247,232	198,543	804,384	-
Total Bonds & Notes Payable	37,523,618	6,847,232	5,096,168	39,274,682	3,028,434
Other Liabilities					
Compensated absences	558,562	38,962	-	597,524	99,547
Net pension liability	-	920,666	-	920,666	-
Due to other governments	115,000	-	115,000	-	-
Total Other Liabilities	673,562	959,628	115,000	1,518,190	99,547
Total Governmental Activities Long-Term Liabilities	$ 38,197,180	$ 7,806,860	$5,211,168	$ 40,792,872	$ 3,127,981
Business-Type Activities					
Bonds & Notes Payable					
Revenue bonds	$ 12,459,641	$ -	$ 802,504	$ 11,657,137	$ 808,261
Bond anticipation notes	1,980,000	-	150,000	1,830,000	180,000
Premiums	491,660	-	71,748	419,912	-
Total Bonds & Notes Payable	14,931,301	-	1,024,252	13,907,049	988,261
Other Liabilities					
Compensated absences	8,322	2,753	-	11,075	1,845
Net pension liability	-	127,451	-	127,451	-
Total Other Liabilities	8,322	130,204	-	138,526	1,845
Total Business Type Activities Long-Term Liabilities	$ 14,939,623	$ 130,204	$ 1,024,252	$ 14,045,575	$ 990,106

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property with the village's jurisdiction. The debt limit as of December 31, 2019, was $46,306,875. Total general obligation debt outstanding at year end was $26,545,298.

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activites

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Refunding Promissory Notes (TID #3)	11/1/2011	10/1/2021	1.0-3.0%	$ 3,675,000	$ 1,950,000
GO Refunding Bonds (TID #3)	11/1/2012	10/1/2026	1.0-2.5%	3,620,000	1,950,000
GO Refunding Bonds	11/20/2013	12/1/2022	1.0-2.65%	3,000,000	1,225,000
GO Note	11/30/2014	2/15/2022	0.00%	27,468	10,298
GO Promissory Note	4/1/2015	4/1/2025	1.0-3.0%	6,785,000	4,935,000
GO Promissory Note	7/6/2016	10/1/2026	2.00%	3,100,000	1,900,000
GO Promissory Note	11/1/2017	10/1/2026	2.0-3.0%	1,400,000	1,300,000
GO Promissory Note	6/1/2018	10/1/2026	3.0-3.25%	2,145,000	2,000,000
GO Refunding Bonds	9/5/2018	12/1/2026	2.0-3.5%	5,375,000	4,675,000
GO Taxable Refunding Bonds	2/20/2019	3/1/2026	3.0-4.0%	2,375,000	2,375,000
GO Promissory Note	2/20/2019	3/1/2028	2.0-3.5%	4,225,000	4,225,000
Total Government Activities - General Obligation Debt					$ 26,545,298

Debt service requirements to maturity are as follows:

Years	Governmental Activities Principal	Governmental Activities Interest
2020	$ 3,028,434	$ 827,316
2021	4,553,434	645,925
2022	3,178,430	522,925
2023	3,300,000	439,456
2024	3,510,000	346,806
2025-2028	8,975,000	501,656
Totals	$ 26,545,298	$ 3,284,084

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The village has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in various years. Proceeds from the bonds provided financing for the variety of water and sewer projects. The bonds are payable solely from water and sewer revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 51% of net revenues. The total principal and interest remaining to be paid on the bonds is $14,629,413. Principal and interest paid for the current year and total customer revenues were $1,234,428 and $2,056,281 respectively.

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

Business-type Activities Revenue Debt

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Revenue Bonds	1/1/2008	12/1/2026	4.00-4.75%	$ 2,281,280	$ 1,425,800
Revenue Bonds	12/1/2010	12/1/2021	2.00-4.625%	1,376,948	765,948
Revenue Bonds	7/6/2016	12/1/2029	2.00-3.00%	3,596,423	3,200,123
Revenue Bonds	6/1/2018	12/1/2033	4.00%	1,095,000	1,065,000
				Total Sewer Utility	6,456,871
Water Utility					
Revenue Bonds	4/29/2002	5/1/2022	2.75%	627,355	87,137
Revenue Bonds	1/1/2008	12/1/2026	4.00-4.75%	918,720	574,200
Revenue Bonds	12/1/2010	12/1/2021	2.00-4.625%	1,543,052	409,052
Revenue Bonds	7/6/2016	12/1/2029	2.00-3.00%	1,848,577	1,644,877
Revenue Bonds	6/1/2018	12/1/2033	4.00%	2,555,000	2,485,000
				Total Water Utility	5,200,266
Total Business-type Activities – Revenue Debt					$ 11,657,137

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Principal	Business-type Activities Interest
2020	$ 808,261	$ 406,158
2021	819,038	380,270
2022	809,838	353,473
2023	845,000	327,900
2024	910,000	299,025
2025-2029	4,915,000	963,200
2030-2033	2,550,000	242,250
Totals	$ 11,657,137	$ 2,972,276

Bond Anticipation Notes

Governmental Activities

Bond Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Taxable Note Anticipation Note	3/20/2018	12/1/2022	3.875%	$ 4,225,000	$ 4,225,000
Revenue Bond Anticipation Note	6/1/2018	6/1/2021	3.375%	7,700,000	7,700,000
				Total Business-type Activities	$ 11,925,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Principal	Governmental Activities Interest
2020	$ -	$ 423,594
2021	7,700,000	293,657
2022	4,225,000	163,719
Totals	$ 11,925,000	$ 880,970

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

F. LONG-TERM OBLIGATIONS (cont.)

Business-type Activities

Bond Anticipation Notes	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2019
Sewer bond anticipation notes	12/21/2016	12/1/2021	3.75-4.00%	$ 957,600	$ 768,600
Water bond anticipation notes	12/21/2016	12/1/2021	3.75-4.00%	1,322,400	1,061,400
				Total Business-type Activities	$ 1,830,000

Debt service requirements to maturity are as follows:

	Business-type Activities	
Years	Principal	Interest
2020	$ 180,000	$ 69,076
2021	1,650,000	61,872
Totals	$ 1,830,000	$ 130,948

Other Debt Information

Estimated payments of compensated absences and net pension liability are not included in the debt service requirement schedules. The liabilities are attributable to both governmental and business-type activities will be liquidated primarily by the general fund and utilities.

Current Refunding

On February 20, 2019, the village issued $2,375,000 in general obligation notes with an average coupon rate of 3.89% along with $100,000 of existing funds to refund $2,475,000 of outstanding notes with an average coupon rate of 2.50%. The proceeds of the debt were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was $2,505,937 for 2019. The cash flow requirements on the 2019A G.O. refunding bonds is $2,738,189 from 2019 through 2026. The current refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of $70,022.

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

G. NET POSITION/FUND BALANCES

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

Governmental Activities

Net investment in capital assets	
Land	$ 1,909,628
Construction in progress	268,405
Other capital assets, net of accumulated depreciation	29,445,577
Less: Long-term debt outstanding, including premiums	(39,274,682)
Plus: Unspent capital related debt proceeds	3,546,285
Plus: Non-capital debt outstanding	8,295,072
Total Net Investment in Capital Assets	4,190,285
Restricted for	
Debt service	790,261
TID #3	1,008,958
TID #5	1,541,482
Impact fees	252,621
Stormwater	58,989
Library	213,364
Total Restricted	3,865,675
Unrestricted (deficit)	(3,267,427)
Total Governmental Activities Net Position	$ 4,788,533

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

G. *NET POSITION/FUND BALANCES* (cont.)

GOVERNMENTAL FUNDS

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

		Special Revenue Fund		Capital Projects Funds				
	General Fund	Fire and Ambulance Fund	Debt Service Fund	Tax Incremental District No. 3 Fund	Tax Incremental District No. 5 Fund	Community Development Fund	Nonmajor Governmental Funds	Totals
Fund Balances								
Nonspendable:								
Prepaid Items	$ 75,172	$ 29,514	$ -	$ -	$ -	$ -	$ 6,841	$ 111,527
Advances	39,323	-	-	-	-	-	-	39,323
Restricted for:								
Debt Service	-	-	731,441	1,055,052	-	-	-	1,786,493
Capital Projects	-	-	-	-	3,674,654	-	-	3,674,654
Impact Fees	-	-	-	-	-	-	252,621	252,621
Stormwater	-	-	-	-	-	-	58,349	58,349
Library	-	-	-	-	-	-	207,255	207,255
Committed to:								
Fire & ambulance	-	95,576	-	-	-	-	-	95,576
Revolving Loan	-	-	-	-	-	-	209,361	209,361
Capital equipment	-	-	-	-	-	-	308,714	308,714
Recycling	-	-	-	-	-	-	113,584	113,584
Capital Projects	-	-	-	-	-	-	2,209,518	2,209,518
Parkland Site	-	-	-	-	-	-	321,151	321,151
Development	-	-	-	-	-	195,476	-	195,476
Assigned to:								
Accrued sick pay	402,304	-	-	-	-	-	-	402,304
Ambulance	256,093	-	-	-	-	-	-	256,093
Other	312,077	-	-	-	-	-	-	312,077
Unassigned (deficit)	1,626,198	-	-	-	-	-	(50,602)	1,575,596
Total Fund Balances	$ 2,711,167	$ 125,090	$ 731,441	$ 1,055,052	$ 3,674,654	$ 195,476	$ 3,636,792	$ 12,129,672

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

G. NET POSITION/FUND BALANCES (cont.)

BUSINESS-TYPE ACTIVITIES

Net investment in capital assets	
Land	$ 716,879
Construction work in progress	1,356,761
Capital assets, net of accumulated depreciation	36,964,338
Less: Long-term debt outstanding, including premiums	(13,907,048)
Plus: Noncapital debt proceeds	1,306,197
Plus: Deferred charge on refunding	190,051
Total Investment in Capital Assets	26,627,178
Restricted for	
Debt service	67,116
Equipment replacement	467,565
Impact Fees	635,878
Total Restricted	1,170,559
Unrestricted	2,504,423
Total Business-type Activities Net Position	$ 30,302,160

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information about the 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 1,200 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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(42)%
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)
2017	2.0	4
2018	2.4	17

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized $307,171 in contributions from the village.

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

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.70%	6.70%
Protective with Social Security	6.70%	10.70%
Protective without Social Security	6.70%	14.90%

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

At December 31, 2019, the village reported a liability of $1,048,117 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the village's proportion was 0.02946065%, which was an increase of 0.00088240% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the village recognized pension expense of $751,770.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and acutal experience	$ 816,324	$ 1,442,968
Changes in assumptions	176,674	-
Net differences between projected and actual earnings on pension plan investments	1,530,704	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,625	16,099
Employer contributions subsequent to the measurement date	369,628	-
Total	$ 2,896,955	$ 1,459,067

$369,628 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 in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources and Deferred Inflow of Resources (net)
2020	$ 388,875
2021	93,590
2022	168,061
2023	417,734

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

Single discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7. 0 percent, as well as what the village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6. 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's proportionate share of the net pension liability (asset)	$ 4,165,329	$ 1,048,117	$ (1,269,770)

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

At December 31, 2019, the village reported a payable to the pension plan of $70,540 which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE IV – OTHER INFORMATION (cont.)

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

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

- Statement No. 87, *Leases*
- Statement No. 89*, Accounting for Interest Cost Incurred before the End of Construction Period*
- Statement No. 91, Conduit Debt Obligations

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

E. DEFINED CONTRIBUTION PENSION PLAN

The village provides pension benefits for all of its eligible employees through a defined contribution plan known as the Village of Mukwonago Pension Trust through ICMA-RC who administers the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate in the plan upon becoming eligible for the Wisconsin Retirement System (WRS). This plan is to give eligible full-time employees an additional two and one-half percentage towards retirements, above what the Village contributes to WRS. In addition, Village employees have an option to contribute to this plan from each payroll period. For the year ended December 31, 2019, the total amount contributed was $96,570. Of this amount, $49,743 was contributed by the employer and $46,827 was contributed by the employee. Total contributions for the years ending December 31, 2018 and 2017 were $77,083 and $73,713 respectively. The employer's contribution each year was equal to the required amount.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,619,167	$ 2,619,167	$ 2,622,943	$ 3,776
Intergovernmental	778,785	796,090	834,756	38,666
Licenses and permits	423,963	423,963	637,685	213,722
Fines, forfeitures and penalties	156,000	156,000	179,023	23,023
Public charges for services	32,044	32,044	36,309	4,265
Interdepartmental charges for services	203,526	203,526	197,904	(5,622)
Investment income	49,500	49,500	122,302	72,802
Other revenues	147,685	156,555	154,021	(2,534)
Total Revenues	4,410,670	4,436,845	4,784,943	348,098
EXPENDITURES				
Current				
General government	814,437	814,437	771,287	43,150
Public safety	2,579,397	2,579,397	2,475,218	104,179
Public works	883,671	883,671	842,931	40,740
Health and sanitation	2,800	2,800	2,746	54
Culture, recreation and education	185,372	185,372	171,459	13,913
Conservation and development	259,139	259,139	211,051	48,088
Capital Outlay	25,000	46,500	49,456	(2,956)
Total Expenditures	4,749,816	4,771,316	4,524,148	247,168
Excess (deficiency) of revenues over (under) expenditures	(339,146)	(334,471)	260,795	595,266
OTHER FINANCING SOURCES (USES)				
Transfers in	485,646	985,646	438,051	(547,595)
Transfers out	(146,500)	(654,710)	(509,407)	145,303
Proceeds from sale of capital assets	-	3,535	3,535	-
Total Other Financing Sources (Uses)	339,146	334,471	(67,821)	(402,292)
Net Change in Fund Balance	$ -	$ -	192,974	$ 192,974
FUND BALANCE - Beginning of Year			2,518,193	
FUND BALANCE - END OF YEAR			$ 2,711,167	

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

VILLAGE OF MUKWONAGO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - FIRE AND AMBULANCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 218,484	$ 218,484	$ 218,484	$ -
Intergovernmental	6,000	6,000	9,790	3,790
Public charges for services	989,396	989,396	934,513	(54,883)
Intergovernmental charges for services	218,484	218,484	227,892	9,408
Investment income	700	700	1,772	1,072
Miscellaneous	-	-	6,777	6,777
Total Revenues	1,433,064	1,433,064	1,399,228	(33,836)
EXPENDITURES				
Current				
Public safety	1,364,518	1,364,518	1,372,079	(7,561)
Capital Outlay	36,000	36,000	39,425	(3,425)
Total Expenditures	1,400,518	1,400,518	1,411,504	(10,986)
Excess (deficiency) of revenues over (under) expenditures	32,546	32,546	(12,276)	(44,822)
OTHER FINANCING USES				
Transfers In	-	-	9,407	9,407
Proceeds from sale of capital assets	-	-	9,650	9,650
Total Other Financing Sources (Uses)	-	-	19,057	19,057
Net Change in Fund Balance	$ 32,546	$ 32,546	6,781	$ (25,765)
FUND BALANCE - Beginning of Year			118,309	
FUND BALANCE - END OF YEAR			$ 125,090	

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

VILLAGE OF MUKWONAGO

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

WRS Fiscal Year End	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proprotionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.026733910%	$ (656,658)	$ 3,077,565	21.34%	102.74%
12/31/15	0.026568060%	431,726	3,289,656	13.12%	98.20%
12/31/16	0.027133260%	223,643	3,387,425	6.60%	99.12%
12/31/17	0.028578250%	(848,522)	3,605,474	23.53%	102.93%
12/31/18	0.029460650%	1,048,117	3,617,138	28.98%	96.45%

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

Village Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 333,545	$ 333,545	$ -	$ 3,289,656	10.14%
12/31/16	309,468	309,468	-	3,387,425	9.14%
12/31/17	347,820	347,820	-	3,605,475	9.65%
12/31/18	360,953	360,953	-	3,617,356	9.98%
12/31/19	369,628	369,628	-	3,877,945	9.53%

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

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure for the general fund and total expenditures for the fire and ambulance special revenue fund.

WISCONSIN RETIREMENT SYSTEM PENSION

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

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

Changes 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.

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SUPPLEMENTARY INFORMATION

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF REVENUES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
TAXES				
General property taxes	$ 2,604,077	$ 2,604,077	$ 2,604,139	$ 62
Public accomodation (room) taxes	6,000	6,000	13,457	7,457
Interest and penalties on taxes	9,090	9,090	5,347	(3,743)
Total Taxes	2,619,167	2,619,167	2,622,943	3,776
INTERGOVERNMENTAL REVENUES				
State shared revenues	209,893	209,893	210,553	660
Exempt computer aid	31,203	31,203	31,538	335
State aid - law enforcement improvements	8,080	25,385	35,399	10,014
State aid - general transportation aids	493,643	493,643	493,416	(227)
Other state payments	35,966	35,966	63,850	27,884
Total Intergovernmental Revenues	778,785	796,090	834,756	38,666
LICENSES AND PERMITS				
Other regulatory permits and fees	560	560	660	100
Liquor and malt beverage	16,500	16,500	16,342	(158)
Operators' licenses	8,200	8,200	10,269	2,069
Cigarette licenses	1,400	1,400	1,633	233
Cable television franchise fees	94,940	94,940	100,219	5,279
Bicycle licenses	12	12	1	(11)
Dog and cat licenses	2,868	2,868	2,432	(436)
Nonbusiness licenses	2,851	2,851	3,010	159
Other permits	29,218	29,218	40,488	11,270
Building permits	121,414	121,414	241,826	120,412
Electrical permits	40,000	40,000	58,763	18,763
Plumbing permits	30,000	30,000	40,587	10,587
Occupancy permits	14,000	14,000	33,723	19,723
Zoning permits and fees	7,000	7,000	14,342	7,342
Plan review fees	30,000	30,000	29,887	(113)
Heating and air conditioning permits	25,000	25,000	43,503	18,503
Total Licenses and Permits	423,963	423,963	637,685	213,722

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF REVENUES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
FINES, FORFEITURES AND PENALTIES				
Court fines	$ 140,000	$ 140,000	$ 164,364	$ 24,364
Parking Violations	16,000	16,000	14,659	(1,341)
Total Fines, Forfeitures and Penalties	156,000	156,000	179,023	23,023
PUBLIC CHARGES FOR SERVICES				
Publication fees	540	540	561	21
Photocopies	4,040	4,040	3,441	(599)
Treasurer's fees	8,000	8,000	8,680	680
Law enforcement fees	8,100	8,100	5,367	(2,733)
Fire protection fees	10,000	10,000	15,611	5,611
Other public charges for services	1,364	1,364	2,649	1,285
Total Public Charges for Services	32,044	32,044	36,309	4,265
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - law enforcement services	188,476	188,476	177,803	(10,673)
Local - ambulance services	8,000	8,000	8,052	52
Local - other services	7,050	7,050	12,049	4,999
Total Intergovernmental Charges for Services	203,526	203,526	197,904	(5,622)
INVESTMENT INCOME				
Investment Income	49,500	49,500	122,302	72,802
OTHER REVENUES				
Rent	18,685	18,685	14,554	(4,131)
Miscellaneous revenue	4,000	4,000	5,599	1,599
Donations	125,000	133,870	133,868	(2)
Total Other Revenues	147,685	156,555	154,021	(2,534)
TOTAL REVENUES	$ 4,410,670	$ 4,436,845	$ 4,784,943	$ 348,098

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
CURRENT				
GENERAL GOVERNMENT				
Village board	$ 54,829	$ 54,829	$ 78,078	$ (23,249)
Historical preservation comission	400	400	154	246
Municipal court	43,727	43,727	41,420	2,307
Village attorney	78,780	78,780	94,435	(15,655)
Village administrator	202,999	202,999	169,857	33,142
Village clerk/treasurer	202,128	213,928	209,205	4,723
Elections	22,800	11,000	5,212	5,788
Independent audit	13,000	13,000	11,606	1,394
Assessment of property	19,850	19,850	19,318	532
Risk and property insurance	132,800	132,800	95,364	37,436
Village hall	42,324	42,324	39,429	2,895
Other	-	-	5,797	(5,797)
Board of appeals	800	800	1,412	(612)
Total General Government	814,437	814,437	771,287	43,150
PUBLIC SAFETY				
Police department	2,330,277	2,330,277	2,238,402	91,875
Building inspection	231,025	231,025	215,219	15,806
Emergency government	2,350	2,350	-	2,350
Fire Station	5,803	5,803	14,479	(8,676)
Dam	9,942	9,942	7,118	2,824
Total Public Safety	2,579,397	2,579,397	2,475,218	104,179
PUBLIC WORKS				
Engineering	50,000	50,000	65,214	(15,214)
Public Works Administration	312,951	312,951	283,129	29,822
Machinery operation and maintenance	96,031	96,031	86,706	9,325
Garage and sheds	51,509	51,509	49,093	2,416
Curb and gutter	25,550	25,550	24,043	1,507
Garbage Collection	5,081	5,081	4,252	829
Street signs	14,574	14,574	11,262	3,312
Bridges, culverts, and rivers	5,455	5,455	22	5,433
Street cleaning	16,915	16,915	13,188	3,727
Snow and ice control	117,083	117,083	110,472	6,611
Alleys and local purpose roads	14,465	14,465	14,342	123
Street lighting	159,800	159,800	163,751	(3,951)
Storm sewer maintenance	14,257	14,257	17,457	(3,200)
Total Public Works	883,671	883,671	842,931	40,740

VILLAGE OF MUKWONAGO

DETAILED SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
CURRENT (continued)				
HEALTH AND HUMAN SERVICES				
Public health services	$ 2,800	$ 2,800	$ 2,746	$ 54
CULTURE, RECREATION AND EDUCATION				
Museum	10,700	10,700	7,517	3,183
Parks	167,790	167,790	158,047	9,743
Celebration and entertainment	6,882	6,882	5,895	987
Total Culture, Recreation and Education	185,372	185,372	171,459	13,913
CONSERVATION AND DEVELOPMENT				
Forestry	46,600	46,600	58,833	(12,233)
Weed control	1,427	1,427	1,006	421
Planning commission	138,186	138,186	95,261	42,925
Economic development	59,926	59,926	44,130	15,796
Environmental protection	13,000	13,000	11,821	1,179
Total Conservation and Development	259,139	259,139	211,051	48,088
CAPITAL OUTLAY				
Capital expenditures	25,000	46,500	49,456	(2,956)
TOTAL EXPENDITURES	$ 4,749,816	$ 4,771,316	$ 4,524,148	$ 247,168

VILLAGE OF MUKWONAGO

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

	Special Revenue Funds			
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund
ASSETS				
Cash and investments	$ 236,784	$ 106,097	$ 209,361	$ 321,151
Receivables:				
Taxes	455,695	318,591	-	-
Accounts	-	49,467	-	-
Prepaid Items	6,108	92	-	-
Total Assets	$ 698,587	$ 474,247	$ 209,361	$ 321,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable	$ 9,252	$ 42,076	$ -	$ -
Accrued liabilities	20,277	-	-	-
Due to other funds	-	-	-	-
Advance from other fund	-	-	-	-
Total Liabilities	29,529	42,076	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Unearned revenue	455,695	318,495	-	-
Total Deferred Inflows of Resources	455,695	318,495	-	-
Fund Balances (deficit)				
Nonspendable	6,108	92	-	-
Restricted	207,255	-	-	-
Committed	-	113,584	209,361	321,151
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	213,363	113,676	209,361	321,151
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 698,587	$ 474,247	$ 209,361	$ 321,151

		Capital Projects Funds			
Stormwater Fund	Impact Fee Fund	Capital Equipment Fund	Capital Project Fund	Tax Incremental District No. 4 Fund	Total Nonmajor Governmental Funds
$ 50,789	$ 252,621	$ 355,602	$ 2,402,865	$ -	$ 3,935,270
-	-	106,080	-	40,536	920,902
7,968	-	-	-	-	57,435
641	-	-	-	-	6,841
$ 59,398	$ 252,621	$ 461,682	$ 2,402,865	$ 40,536	$ 4,920,448
$ 245	$ -	$ 46,888	$ 193,347	$ -	$ 291,808
163	-	-	-	-	20,440
-	-	-	-	11,279	11,279
-	-	-	-	39,323	39,323
408	-	46,888	193,347	50,602	362,850
-	-	-	-	-	-
-	-	106,080	-	40,536	920,806
-	-	106,080	-	40,536	920,806
641	-	-	-	-	6,841
58,349	252,621	-	-	-	518,225
-	-	308,714	2,209,518	-	3,162,328
-	-	-	-	(50,602)	(50,602)
58,990	252,621	308,714	2,209,518	(50,602)	3,636,792
$ 59,398	$ 252,621	$ 461,682	$ 2,402,865	$ 40,536	$ 4,920,448

VILLAGE OF MUKWONAGO

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

	Special Revenue Funds			
	Library Fund	Recycling Fund	Revolving Loan Fund	Park Land Site Fund
REVENUES				
Taxes	$ 446,760	$ 312,236	$ -	$ -
Special assessments	-	-	-	-
Intergovernmental	502,554	22,198	-	-
Licenses and permits	-	-	-	54,663
Public charges for services	33,846	197,471	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	7,541	6,066	-	6,284
Other revenues	131,836	-	115,000	20,000
Total revenues	1,122,537	537,971	115,000	80,947
EXPENDITURES				
Current				
General government	-	-	-	-
Public works	-	523,306		2,293
Culture, recreation and education	982,911	-	-	-
Conservation and development	-	-	-	
Capital Outlay	107,509	-	-	3,500
Debt Service				
Interest and fees	-	-	-	-
Total expenditures	1,090,420	523,306	-	5,793
Excess (deficiency) of revenues over expenditures	32,117	14,665	115,000	75,154
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	32,117	14,665	115,000	75,154
FUND BALANCES (DEFICIT) - Beginning of Year	181,246	99,011	94,361	245,997
FUND BALANCES (DEFICIT) - END OF YEAR	$ 213,363	$ 113,676	$ 209,361	$ 321,151

		Capital Projects Funds			
Stormwater Fund	Impact Fee Fund	Capital Equipment Fund	Capital Project Fund	Tax Incremental District No. 4 Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 104,000	$ -	$ 37,268	$ 900,264
-	-	-	-	-	-
-	-	-	24,730	-	549,482
32,789	234,334	-	-	-	321,786
-	-	-	-	-	231,317
-	-	107,529	-	-	107,529
1,058	4,440	8,579	63,885	1,829	99,682
-	-	-	-	-	266,836
33,847	238,774	220,108	88,615	39,097	2,476,896
-	-	1,829	320	83,734	85,883
21,442	172	-	-	29,487	576,700
-	-	-	-		982,911
-	-		-	336	336
-	-	675,046	990,619	90,182	1,866,856
-	-	12,150	37,688	3,375	53,213
21,442	172	689,025	1,028,627	207,114	3,565,899
12,405	238,602	(468,917)	(940,012)	(168,017)	(1,089,003)
-	-	-	-	-	-
-	(125,000)	-	-	-	(125,000)
-	-	540,000	1,675,000	150,000	2,365,000
-	-	22,958	71,213	6,377	100,548
-	-	18,010	-	-	18,010
-	(125,000)	580,968	1,746,213	156,377	2,358,558
12,405	113,602	112,051	806,201	(11,640)	1,269,555
46,585	139,019	196,663	1,403,317	(38,962)	2,367,237
$ 58,990	$ 252,621	$ 308,714	$ 2,209,518	$ (50,602)	$ 3,636,792

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APPENDIX B

PROPOSED FORMS OF LEGAL OPINIONS

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

May 19, 2021

Re: Village of Mukwonago, Wisconsin ("Issuer")
$7,700,000 General Obligation Refunding Bonds, Series 2021A,
dated May 19, 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 June 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2022	$385,000	___%
2023	390,000	___
2024	400,000	___
2025	410,000	___
2026	415,000	___
2027	425,000	___
2028	435,000	___
2029	440,000	___
2030	450,000	___
2031	460,000	___
2032	470,000	___
2033	480,000	___
2034	485,000	___
2035	495,000	___
2036	505,000	___
2037	520,000	___
2038	535,000	___

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

The Bonds maturing on June 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2030 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

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

May 19, 2021

Re: Village of Mukwonago, Wisconsin ("Issuer")
$5,000,000 General Obligation Promissory Notes, Series 2021B,
dated May 19, 2021 ("Notes")

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

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

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

Year	Principal Amount	Interest Rate
2022	$ 300,000	___%
2023	400,000	___
2024	100,000	___
2025	100,000	___
2026	100,000	___
2027	300,000	___
2028	700,000	___
2029	500,000	___
2030	1,250,000	___
2031	1,250,000	___

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

The Notes maturing on April 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2028 or on any date thereafter. Said Notes 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 Notes maturing in the years _______________ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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APPENDIX C

PROPOSED FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of $7,700,000 General Obligation Refunding Bonds, Series 2021A, dated May 19, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 5, 2021 (the "Resolution") and delivered to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Official Statement dated May 5, 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 Mukwonago, Waukesha and Walworth Counties, 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 Village Hall, 440 River Crest Court, Mukwonago, Wisconsin 53149, phone (262) 363-6420, fax (262) 363-6425.

"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 270 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 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. VILLAGE DEBT STRUCTURE - Outstanding General Obligation Debt Summary
2. VILLAGE DEBT STRUCTURE - Outstanding Waterworks System and Sewerage System Revenue Debt Summary
3. VILLAGE DEBT STRUCTURE - Debt Ratios (including Equalized Value)

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 19th day of May, 2021.

____
Fred Winchowky
President

(SEAL)

____
Diana Dykstra
Village Clerk/Treasurer

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin (the "Issuer") in connection with the issuance of $5,000,000 General Obligation Promissory Notes, Series 2021B, dated May 19, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 5, 2021 (the "Resolution") and delivered to Huntington Securities, Inc. dba Huntington Capital Markets (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Official Statement dated May 5, 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 Mukwonago, Waukesha and Walworth Counties, 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 Village Hall, 440 River Crest Court, Mukwonago, Wisconsin 53149, phone (262) 363-6420, fax (262) 363-6425.

"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 270 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 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

1. VILLAGE DEBT STRUCTURE - Outstanding General Obligation Debt Summary
2. VILLAGE DEBT STRUCTURE - Outstanding Waterworks System and Sewerage System Revenue Debt Summary
3. VILLAGE DEBT STRUCTURE - Debt Ratios (including Equalized Value)

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.

<u>Section 6. Termination of Reporting Obligation</u>. 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.

<u>Section 7. Issuer Contact; Agent</u>. 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 19th day of May, 2021.

____
Fred Winchowky
President

(SEAL)

____
Diana Dykstra
Village Clerk/Treasurer

S&P Global Ratings

RatingsDirect®

Summary:

Mukwonago Village, Wisconsin; General Obligation; Note

Primary Credit Analyst:
Emma Drilias, Chicago (1) 312-233-7132; emma.drilias@spglobal.com

Secondary Contact:
Andrew J Truckenmiller, Chicago + 1 (312) 233 7032; andrew.truckenmiller@spglobal.com

Table Of Contents

Summary:

Mukwonago Village, Wisconsin; General Obligation; Note

Credit Profile		
US$7.7 mil GO rfdg bnds ser 2021A dtd 05/19/2021 due 06/01/2038		
Long Term Rating	AA/Stable	New
US$5.0 mil GO prom nts ser 2021B dtd 05/19/2021 due 04/01/2031		
Long Term Rating	AA/Stable	New
Mukwonago Vill GO		
Long Term Rating	AA/Stable	Affirmed
Mukwonago Vill GO prom nts		
Long Term Rating	AA/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA' long-term rating to the Village of Mukwonago, Wis.' $7.7 million series 2021A general obligation (GO) refunding bonds and $5 million series 2021B GO promissory notes. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on the village's GO debt outstanding and its 'AA-' long-term rating on the village's note anticipation note (NAN) that is subject to appropriation. The outlook is stable.

The village's unlimited-tax GO pledge secures the series 2021A bonds and 2021B notes. Officials will use series 2021A bond proceeds to current-refund the village's series 2018D waterworks and sewerage system revenue bond anticipation note (BAN). Series 2021B note proceeds will be used to finance projects in the village's 2021 capital improvement plan.

Under our criteria, "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," published Nov. 20, 2019, the rating on the village's series 2018A taxable NAN is one notch lower than the village's general creditworthiness, as reflected in the GO rating, because of the appropriation risk associated with debt service payments. The NAN is secured by proceeds on the NAN set aside for interest payments as they become due and by proceeds from the future issuance of GO promissory notes, which the village has covenanted to issue. Interest on the NAN is capitalized and paid semiannually until it is refunded.

Credit overview

Mukwonago is a small village southwest of Milwaukee in the Milwaukee-Waukesha-West Allis metropolitan statistical area (MSA). The village is expecting notable growth in the coming years due to several large developments, including a hospital and a mixed-use complex, that are currently underway. The village has historically produced general fund surpluses and maintains very strong reserves due to conservative budgeting practices that we expect will continue. Mukwonago has withstood negative financial implications of the COVID-19 pandemic and recent recession primarily because of its forward-looking management team and the overall stability of the village's revenue composition, which relies primarily on property taxes. For fiscal years 2020 and 2021, the village projects breakeven-to-surplus results consistent with the historical trend. For S&P Global Economics' latest forecast, see "Economic Outlook U.S. Q2 2021: Let The Good Times Roll," published March 24, 2021, on RatingsDirect.

The rating reflects our assessment of the village's:

- Strong economy, with access to a broad and diverse MSA;
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with an operating surplus in the general fund but an operating deficit at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 52% of operating expenditures;
- Very strong liquidity, with total government available cash at 110.3% of total governmental fund expenditures and 4.0x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability profile, with debt service carrying charges at 27.5% of expenditures and net direct debt that is 351.7% of total governmental fund revenue, but rapid amortization, with 87.4% of debt scheduled to be retired in 10 years; and
- Adequate institutional framework score.

Environmental, social, and governance (ESG) factors

We analyzed Mukwonago's ESG risks relative to the village's economy, management, financial measures, and debt and liability profile and determined all are in line with our view of the sector standard.

Stable Outlook

Upside scenario

We could raise the rating if Mukwonago sustains improved economic characteristics, with moderation to the village's debt burden.

Downside scenario

We could lower the rating if Mukwonago's budgetary performance weakens, resulting in a lower available reserve position. We could also lower the rating if the village's debt levels increase substantially, pressuring Mukwonago's tax base and budget.

Credit Opinion

Strong economy

We consider Mukwonago's economy strong. The village, with an estimated population of 8,062, is located in Walworth and Waukesha counties in the Milwaukee-Waukesha-West Allis MSA, which we consider to be broad and diverse. The village has a projected per capita effective buying income of 106.0% of the national level and per capita market value of $123,170. Overall, the village's market value grew by 7.2% in 2019 to $993.0 million in 2020.

Mukwonago is 30 miles southwest of Milwaukee, with a tax base that is predominantly residential (67%) and with some commercial (25%). In our view, Mukwonago's participation in the Milwaukee MSA supports the village's good incomes and extremely strong per capita market value. We consider the village's top 10 taxpayers very diverse, as they represent 12% of the village's tax base.

In recent years, the village has experienced notable growth spurred by new property development, including several small commercial businesses, residential projects; and a large-scale, mixed-use development that is expected to add $50 million of new taxable value once fully built over the next 10 years. Management indicates the pandemic and recent recession's impact on area employers and taxpayers has been limited, and most local businesses have maintained or resumed operations. Construction of a $55 million hospital in the village was temporarily paused in 2020 because of the pandemic but has since resumed, with an anticipated opening in late 2021 or early 2022. The area unemployment rate peaked at 11.7% in April 2020, and averaged 6.1% throughout the year, slightly below the statewide average annual rate of 6.3%.

Strong management

We view the village's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

In developing the annual budget, Mukwonago uses at least three years of historical data for revenue and expenditure assumptions. Management provides monthly reports on budget-to-actual results to the board, and the board has the ability to amend the budget as needed. Mukwonago does not maintain a long-term financial plan. However, it has a five-year, long-term capital improvement that it updates annually with funding sources identified. Mukwonago has an investment management policy, and it provides monthly investment performance reports to the board. The village also maintains a debt management policy that provides restrictions on issuing certain debt types. In addition, its general fund policy allots 25% of the ensuing year's budgeted expenditures for cash flow, which it complies with currently.

Adequate budgetary performance

Mukwonago's budgetary performance is adequate in our opinion. The village had surplus operating results in the general fund of 3.8% of expenditures, but a deficit result across all governmental funds 3.0% in fiscal 2019. General fund operating results have been stable, at 3.0% in 2018 and 5.6% in 2017.

We made adjustments for recurring transfers and for the spending of bond proceeds to assess Mukwonago's recent budgetary performance. After these adjustments, Mukwonago reported slight annual general fund surpluses since fiscal 2017. The general fund benefits from a revenue structure that has historically been stable and predictable, consisting primarily of property taxes (55%), intergovernmental aid (18%), and licenses and permits (13%). Management indicates these major revenues were not significantly affected by the pandemic and resulting recession. Based on unaudited results, management expects to report a $282,000 general fund surplus for fiscal 2020 year-end. The fiscal 2021 budget reflects a breakeven general fund result while maintaining conservative revenue to hedge against potential ongoing pandemic or recessionary effects. Management anticipates the village will receive $800,000 of stimulus funding under the American Rescue Plan to be used for non-recurring costs over upcoming years. We expect the village will maintain balanced operations similar to historical performance.

Very strong budgetary flexibility

Mukwonago's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 52% of operating expenditures, or $2.6 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Based on the projected fiscal 2020 surplus and 2021 breakeven budget, we expect Mukwonago's reserve levels will remain very strong.

Very strong liquidity

In our opinion, Mukwonago's liquidity is very strong, with total government available cash at 110.3% of total governmental fund expenditures and 4.0x governmental debt service in 2019. In our view, the village has strong access to external liquidity if necessary.

Mukwonago had $12.5 million in cash and investments considered liquid at 2019 year-end. Assuming no significant deterioration to the village's budgetary performance, we do not expect Mukwonago's cash position, with respect to total governmental expenditures and debt service, will change significantly and anticipate it will remain very strong. Management has confirmed that the village does not have any privately placed or direct-purchase debt. The village primarily invests in local bank funds and the Wisconsin Local Government Investment Pool, which we do not consider aggressive.

Weak debt and contingent liability profile

In our view, Mukwonago's debt and contingent liability profile is weak. Total governmental fund debt service is 27.5% of total governmental fund expenditures, and net direct debt is 351.7% of total governmental fund revenue. Approximately 87.4% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

Mukwonago's debt service carrying charge as a percent of total governmental fund expenditures is high. The village's debt amortization is currently considered rapid, in part due to several NANs and BANs that will become due in 2021 and 2022. We anticipate the village's debt amortization will slow over the upcoming years, depending on how the future takeout bonds for these NANs and BANs are amortized. Officials currently plan to issue approximately $2 million of new GO debt over the next two years fund capital projects, though we do not anticipate its debt profile will weaken as a result.

Pension and other postemployment benefits

The village's pension costs are modest as a share of total spending and are not likely to accelerate significantly in the medium term, especially given the pension plan's strong funded status. Mukwonago offers no other postemployment benefits. It participates in the Wisconsin Retirement System (WRS), a multiple-employer, defined-benefit pension plan that, in recent years, has been among the best-funded multiple-employer pension plans in the country. WRS was 103% funded (as of Dec. 31, 2019), with a village proportionate share of the plan's net pension asset estimated at $950,000.

In 2019, Mukwonago's pension contributions totaled 2.7% of total governmental fund expenditures and the village made its full required pension contribution. Contributions to WRS are actuarially based, and the village funds 100% of its required contribution each year. The plan investment rate of return assumption was lowered to 7.0% from 7.2% in late 2018. While the revised return assumption exceeds our 6.0% guidelines, exposure to market volatility is mitigated because the plan employs a shared risk model where investment performance fluctuations are offset by changes in active employee contributions and in adjustments in benefit payments. Because of these features, we expect contributions will remain relatively stable, and, given the plan's strong funded status and strong contribution practices, we expect contributions will remain affordable.

Adequate institutional framework

The institutional framework score for Wisconsin cities and villages with a population less than 25,000 is adequate.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2020 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of April 28, 2021)		
Mukwonago Vill taxable note antic nts		
Long Term Rating	AA-/Stable	Affirmed
Short Term Rating	NR	Affirmed
Mukwonago Vill taxable GO prom nts		
Long Term Rating	AA/Stable	Affirmed

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S&P Global Ratings

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reference no.: 1661265

April 28, 2021

Village of Mukwonago
440 River Crest Court
Mukwonago, WI 53149
Attention: Ms. Diana Doherty, Finance Director

Re: ***US$5,000,000 Village of Mukwonago, Waukesha and Walworth Counties, Wisconsin, General Obligation Promissory Notes, Series 2021B, dated: May 19, 2021, due: April 01, 2031***

Dear Ms. Doherty:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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cc: ***Ms. Debra L. Opgenorth***
Mr. Jeffery G. Belongia

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