

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 5, 2021

NEW ISSUES: FULL BOOK-ENTRY

**Outstanding Bonds Rated:
S&P “AA-”**

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), under existing law interest on the 2021A Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. The interest on the Bonds 2021A is not exempt from present Wisconsin income or franchise taxes. See “LEGAL MATTERS – Tax Exemption (2021A Bonds)” and “Appendix B – Form of Legal Opinion” for the 2021A Bonds herein. The 2021A Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the 2021B Bonds is included in gross income for federal income tax purposes. The interest on the 2021B Bonds is not exempt from present Wisconsin income or franchise taxes. See “LEGAL MATTERS – Taxability of Interest (2021B Bonds)” and “Appendix B – Form of Legal Opinion” for the 2021 Bonds herein.

PRELIMINARY OFFICIAL STATEMENT

**Village of Kronenwetter,
Marathon County, Wisconsin**

Dated: Date of Delivery

Delivery: On or about February 3, 2021

\$5,485,000* General Obligation Refunding Bonds, Series 2021A

The \$5,485,000* General Obligation Refunding Bonds, Series 2021A (the “2021A Bonds”) are being issued by the Village of Kronenwetter, Wisconsin (the “Village”) pursuant to Wisconsin Statutes, Section 67.04, to refund certain outstanding obligations of the Village as described in “DESCRIPTION OF THE OBLIGATIONS – Purpose,” herein.

Principal, payable on each April 1, as set forth herein, and interest on the Series 2021A Bonds, payable semiannually on each April 1 and October 1 commencing October 1, 2021, will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2021A Bonds.

\$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B

The \$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B (the “2021B Bonds”, together with the 2021A Bonds, the “Obligations”) are being issued by the Village pursuant to Wisconsin Statutes, Section 67.04, to refund certain outstanding obligations of the Village as described in “DESCRIPTION OF THE OBLIGATIONS – Purpose,” herein.

Principal, payable on each April 1, as set forth herein, and interest on the 2021B Bonds, payable semiannually on each April 1 and October 1 commencing October 1, 2021, will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2021B Bonds.

SEE INSIDE COVER PAGE FOR MATURITY AND PRICING SCHEDULE

The Obligations will be general obligations of the Village for which its full faith and credit and unlimited taxing powers are pledged. The Obligations 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 Obligations. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased. (See “DESCRIPTION OF THE OBLIGATIONS - Book-Entry-Only System”). Principal of and interest on the Obligations will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Obligations. (See “Book-Entry-Only System” herein.)

The Obligations are not subject to optional redemption by the Village.

Registrar/Paying Agent:	Village of Kronenwetter Finance Director/Treasurer
Not Bank Qualified:	2021A Bonds: will not be designated as “qualified tax-exempt obligations” 2021B Bonds: will not be designated as “qualified tax-exempt obligations”
Bids Received and Opened:	Tuesday, January 12, 2021 at 10:00 A.M. Central Time Office of PFM Financial Advisors LLC, Milwaukee, Wisconsin
Village Board Consideration:	Tuesday, January 12, 2021 at 6:00 P.M.

* Par amounts subject to change. Interest rates and reoffering yields will be set forth in the final Official Statement.

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

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

\$5,485,000* General Obligation Refunding Bonds, Series 2021A

April 1				
<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>
2022	\$ 535,000	___ %	___ %	
2023	715,000	___ %	___ %	
2024	755,000	___ %	___ %	
2025	765,000	___ %	___ %	
2026	780,000	___ %	___ %	
2027	760,000	___ %	___ %	
2028	545,000	___ %	___ %	
2029	100,000	___ %	___ %	
2030	105,000	___ %	___ %	
2031	105,000	___ %	___ %	
2032	105,000	___ %	___ %	
2033	105,000	___ %	___ %	
2034	110,000	___ %	___ %	

** Preliminary, subject to change.*

\$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B

April 1				
<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>
2022	\$ 315,000	___ %	___ %	
2023	145,000	___ %	___ %	
2024	145,000	___ %	___ %	
2025	150,000	___ %	___ %	
2026	150,000	___ %	___ %	
2027	155,000	___ %	___ %	
2028	355,000	___ %	___ %	
2029	360,000	___ %	___ %	
2030	205,000	___ %	___ %	

** Preliminary, subject to change.*

No dealer, broker, sales representative or other person has been authorized by the Village, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the Village, the Municipal Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Village and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or Underwriter. 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 thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or in any other information contained herein, since the date hereof.

TABLE OF CONTENTS

	<i><u>Page</u></i>	<i><u>Page</u></i>
INTRODUCTION TO THE OFFICIAL STATEMENT	1	
DESCRIPTION OF THE OBLIGATIONS	3	
Authorization	3	
Purpose (2021A Bonds)	3	
Purpose (2021B Bonds)	4	
Security Provisions	4	
Redemption Provisions	4	
Interest Payments and Computation	5	
Registration, Transfer and Exchange	5	
Book-Entry-Only System	5	
Continuing Disclosure	7	
THE VILLAGE	8	
Introduction	8	
Village Government	8	
Employee Relations and Collective Bargaining	9	
Pension and Retirement Plan	9	
Education	9	
ECONOMIC AND DEMOGRAPHIC INFORMATION	10	
Population	10	
Unemployment	10	
Construction	10	
Major Employers	11	
FINANCIAL SUMMARY	12	
INDEBTEDNESS	13	
General Obligation Debt	13	
Short-Term Debt	15	
Legal Debt Limit	15	
No Default on Village Indebtedness	15	
Overlapping Debt	15	
Revenue Debt	16	
Future Financings	16	
Redevelopment Lease Revenue Bonds	16	
FINANCIAL INFORMATION	18	
Financial Reports	18	
Budgeting	19	
Investments	19	
PROPERTY VALUATIONS AND TAXES	20	
Assessed and Equalized Values	20	
Tax Levy and Collection Procedures	21	
Levy Limits	22	
LEGAL MATTERS	23	
Pending Litigation	23	
Approval of Legal Proceedings	23	
Tax Exemption (2021A Bonds)	24	
Not Qualified Tax-Exempt Obligations (2021A Bonds)	24	
Taxability of Interest (2021B Bonds)	24	
Not Qualified Tax-Exempt Obligations (2021B Bonds)	24	
Municipal Bankruptcy	24	
Impact of Covid-19	25	
MISCELLANEOUS	27	
Ratings	27	
Municipal Advisor	27	
Underwriting	27	
Certificate Concerning Official Statement	28	
Appendix A – Excerpts from Financial Statements		
Appendix B – Forms of Legal Opinions		
Appendix C – Forms of Continuing Disclosure Certificates		
Appendix D – Official Notices of Sale		

INTRODUCTION TO THE OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding the Village's \$5,485,000 General Obligation Refunding Bonds, Series 2021A (the "2021A Bonds"), and the \$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B (the "2021B Bonds") (collectively, the "Obligations"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.*

Issuer:	Village of Kronenwetter, Wisconsin.
Obligations Dated:	February 3, 2021.
Delivery:	The Village will deliver the Obligations anywhere in the United States as designated by the purchaser within 45 days against payment in immediately available funds. Delivery is expected on or about February 3, 2021.
Security:	The Obligations will be general obligations of the Village, secured by an unlimited tax levy. The Obligations will be payable from ad valorem taxes levied upon all taxable property in the Village which may be levied without limitation of rate or amount.
Purpose and Authority:	The Obligations are being issued for the public purpose of refunding certain outstanding obligations of the Village and to pay the cost of issuing the Obligations pursuant to the Laws of the State of Wisconsin including Section 67.04 of the Wisconsin Statutes, preliminary resolutions adopted by the Village Board on December 8, 2020 (the "Initial Resolution") and award resolutions to be adopted by the Village Board on January 12, 2021 (the "Award Resolution").
Optional Redemption:	The Obligations are not subject to optional redemption by the Village.
Denominations:	\$5,000 or integral multiples thereof.
Record Date:	The 15 th day of the calendar month preceding the payment date.
Principal Payments:	2021A Bonds: Annually, April 1, 2022 through 2034. 2021B Bonds: Annually, April 1, 2022 through 2030.
Interest Payments:	The interest on the Obligations is payable on each April 1 and October 1, commencing October 1, 2021.
Tax Status:	2021A Bonds: Interest on the 2021A Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes, see "LEGAL MATTERS – Tax Exemption (2021A Bonds)" herein. Interest on the 2021A Bonds is not exempt from Wisconsin income or franchise taxes. 2021B Bonds: Interest on the 2021B Bonds is included in gross income for federal income tax purposes, see "LEGAL MATTERS – Taxability of Interest (2021B Bonds)" herein. Interest on the 2021B Bonds is not exempt from Wisconsin income or franchise taxes.
No Bank Qualification:	2021A Bonds: The 2021A Bonds will <u>NOT</u> be designated as "qualified tax-exempt obligations." 2021B Bonds: The 2021B Bonds will <u>NOT</u> be designated as "qualified tax-exempt obligations."

Professional Consultants: *Municipal Advisor:* PFM Municipal Advisors LLC
Milwaukee, Wisconsin

Bond Counsel: Quarles & Brady LLP
Milwaukee, Wisconsin

Paying Agent: Village of Kronenwetter Finance Director/Treasurer.

Legal Matters: Legal matters incident to the authorization and issuance of the Obligations are subject to the opinions of Quarles & Brady LLP, Bond Counsel, as to validity of the Obligations and tax exemption of the 2021A Bonds. The opinions will be substantially in the forms set forth in Appendix B attached hereto. Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled “LEGAL MATTERS – Tax Exemption (2021A Bonds)”, “LEGAL MATTERS – Taxability of Interest (2021B Bonds)” and the “Forms of Legal Opinions” attached hereto as Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

Conditions Affecting Issuance of Obligations: The Obligations are offered when, as and if issued, subject to the approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin.

Book-Entry-Only: The Obligations will be issued as book-entry-only securities through The Depository Trust Company.

No Litigation: There is no litigation now pending or, to the knowledge of Village officials, threatened, which questions the validity of the Obligations or of any proceedings of the Village taken with respect to the issuance or sale thereof.

Limitations on Offering or Reoffering Securities: No dealer, broker, sales representative or other person has been authorized by the Village or the Municipal Advisor to give any information or to make any representations other than those contained in the Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the Village, or the Municipal Advisor. The Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Continuing Disclosure: In the Award Resolution, the Village will covenant and agree, for the benefit of the holders of the Obligations from time to time, to comply with the provisions of Securities and Exchange Commission Regulations, 17 C.F.R. Section 240, Paragraph (b)(5) of 15c2-12, (“Rule 15c2-12”); and, for this purpose, to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in Rule 15c2-12 electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The Village is the only “obligated person” in respect of the Obligations within the meaning of Rule 15c2-12. A description of the undertaking is in Appendix C.

The Preliminary Official Statement is in a form deemed final as of its date for purposes of Rule 15c2-12, but is subject to minor revision or amendment in accordance with Rule 15c2-12. Not later than seven business days following the award of the Obligations, the Village shall provide copies of the final Official Statement, as that term is used in Rule 15c2-12, to the purchaser of the Obligations.

Questions regarding the Obligations or the Official Statement can be directed to PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414) 847-5586, the Village’s municipal advisor.

DESCRIPTION OF THE OBLIGATIONS

Authorization

The Obligations are being issued pursuant to authority granted, and in the manner required by Section 67.04 of the Wisconsin Statutes, preliminary resolutions adopted by the Village Board on December 8, 2020 (the “Initial Resolution”), and by award resolutions to be adopted by the Village Board on January 12, 2021 (the “Award Resolution”).

Purpose (2021A Bonds)

The proceeds of the 2021A Bonds will be used to (i) refund certain obligations of the Village as described below and to (ii) pay the cost of issuing the 2021A Bonds.

Table 1
2021A Refunded Obligations

<u>Dated</u>	<u>Issue</u>	<u>Maturities Outstanding</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Call Date</u>
03/15/2009	General Obligation Refunding Bonds	2021-2028	2021-2028	\$ 3,100,000	03/05/2021
09/27/2012	General Obligation Refunding Bonds, Series 2012D	2022	2022	1,245,000	03/05/2021
03/01/2016	General Obligation Promissory Notes, Series 2016	2022	2022	995,000	03/05/2021

Table 2
Estimated Sources and Uses

<u>Estimated Sources:</u>	<u>2021A Bonds</u>
Par Amount of the 2021A Bonds	\$ 5,485,000
Total Sources of Funds	<u>\$ 5,485,000</u>
<u>Estimated Uses:</u>	
Refunded Obligations	\$ 5,397,954
Estimated Cost of Issuance (Including Underwriter’s Discount)	84,145
Additional Proceeds	2,901
Total Uses of Funds	<u>\$ 5,485,000</u>

Purpose (2021B Bonds)

The proceeds of the 2021B Bonds will be used to refund certain obligations of the Village as described below and to pay the cost of issuing the 2021B Bonds.

Table 3
2021B Refunded Obligations

<u>Dated</u>	<u>Issue</u>	<u>Maturities Outstanding</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Call Date</u>
07/17/2012	Taxable General Obligation Promissory Notes, Series 2012A	2022	2022	\$ 1,160,000	03/05/2021
11/12/2013	Taxable General Obligation Promissory Notes, Series 2013B	2022	2022	750,000	03/05/2021

Table 4
Estimated Sources and Uses

<u>Estimated Sources:</u>	<u>2021B Bonds</u>
Par Amount of the 2021B Bonds	\$ 1,980,000
Total Sources of Funds	<u>\$ 1,980,000</u>
 <u>Estimated Uses:</u>	
Refunded Obligations	\$ 1,924,543
Estimated Cost of Issuance (Includes Underwriter's discount)	52,610
Additional Proceeds	2,847
Total Uses of Funds	<u>\$ 1,980,000</u>

Security Provisions

Direct, Annual Irrepealable Tax. As security for the Obligations, the Village pledges its full faith, credit and taxing powers and there will be levied on all of the taxable property in the Village a direct, annual irrepealable tax in an amount and the times sufficient to pay the principal of and interest on the Obligations. The taxes will be levied under the Award Resolution.

The Award Resolution provides that the taxes will be, from year to year, carried onto the tax rolls of the Village and collected as other taxes are collected and that the Village shall not repeal such levies or obstruct the collection of the taxes. Provision is made for reducing the amount of taxes carried onto the tax rolls by the amount of any surplus money in the Debt Service Fund for the Obligations.

Redemption Provisions

The Obligations are not subject to optional redemption by the Village.

Interest Payments and Computation

Interest on the Obligations will be computed on a 360-day year, 30-day month basis. Payments coming due on a non-business day will be paid the following business day. Interest will be payable semiannually on each April 1 and October 1, commencing April 1, 2021.

Registration, Transfer and Exchange

The Village has initially designated the Village's Finance Director/Treasurer to serve as Registrar and Paying Agent for the Obligations. The Village may, at any time, at its option replace the Village Finance Director/Treasurer as Registrar for the Obligations with a bank, trust company or national banking association designated by the Village to serve as fiscal agent.

The Obligations will be initially registered in the name of Cede & Co., as nominee of the Depository. The Depository will act as securities depository for the Obligations. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Obligations purchased. See "Book-Entry-Only System."

Book-Entry-Only System

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a schedule prepared by The Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING DTC AND BOOK-ENTRY-ONLY ISSUANCE." The Village makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

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

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 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 and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations 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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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.

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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Obligations 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 paying agent ("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.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Obligations are required to be printed and delivered.

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, certificates for the Obligations will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

NEITHER THE VILLAGE, NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE OBLIAGTIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION

TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OBLIGATIONS.

Continuing Disclosure

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the “Rule 15c2-12”), the Village shall covenant pursuant to the Award Resolution adopted by the Governing Body to enter into an undertaking (the “Undertaking”) for the benefit of holders including beneficial holders of the Obligations to provide certain financial information and operating data relating to the Village annually to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide notices of the occurrence of certain events enumerated in Rule 15c2-12 electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, 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 Certificate to be executed and delivered by the Village at the time the Obligations are delivered. Such Certificate will be in substantially the form attached hereto as Appendix C.

During the past five years, there have been instances where the Village has failed to file its annual financial information as required in accordance with the Rule. Certain of the Village’s general obligation, and water and sewer system revenue debt issues were issued with a bond insurance policy and received an insured rating from Standard & Poor’s Ratings Services and/or Moody’s Investors Service. Material event notices regarding certain insurance rating changes have not been filed within the past five years; however, the information was publicly available through other sources.

A failure by the Village to comply with the Undertaking will not constitute an event of default on the Obligations (although holders will have the right to obtain specific performance of the Obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

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

(The remainder of this page has been left blank intentionally.)

THE VILLAGE

Introduction

The Village of Kronenwetter is located in Marathon County in north central Wisconsin. The Village, encompassing approximately 53 square miles, is located along Interstate 39 five miles south of the City of Wausau and 200 miles northwest of the City of Milwaukee. Air service is available at the Central Wisconsin Airport, which is located two miles south of the Village.

In 2002 a portion of the Town of Kronenwetter (the “Town”) was incorporated as a village. The remaining portion of the Town annexed into the Village in 2003. All references applicable to the Village shall mean the Village or the former Town prior to incorporation.

The Kronenwetter Sanitary District Number Two was dissolved at the end of 2002 and became a Village utility.

The Village provides a range of services, including public safety, highways and streets, health and social services, recreation, public improvements, planning and zoning, water and sewer service, and general administrative services.

Village Government

The Village operates under the laws of the State of Wisconsin, with an elected Village Board, which establishes policy, and a full-time Village Administrator who is responsible for administering the day-to-day operations of the Village and executing the policy decisions of the Village Board.

The Village Board consists of a president and six trustees elected for two-year alternating terms. The president, elected by the electors, is responsible for conducting the proceedings of the Board at its meetings. The Village is also served by nine committees, commissions and boards made up of Village Board members and appointed citizens. The current Board of Trustee members and Administration are listed in the tables below.

Board of Trustees

<u>Name</u>	<u>Position</u>	<u>Term Expiration Date</u>
Chris Voll	President	April 2021
Christopher Eiden	Trustee	April 2021
Jason Holmes	Trustee	April 2022
Ken Charneski	Trustee	April 2022
Cheryl Schulz	Trustee	April 2021
Kevin Gorski	Trustee	April 2021
Dan Lesniak	Trustee	April 2022

Administration

<u>Name</u>	<u>Position</u>
Richard Downey	Administrator
Alicia Richmond	Finance Director/Treasurer
Cindra Falkowski	Village Clerk
Randy Fifrick	Community Development / Zoning Administrator

Employee Relations and Collective Bargaining

The Village employs 21 full-time and 35 part-time employees. The Village department of public works has one director and five additional full-time employees. The Village police department consists of 6 full-time officers and 3 part-time officers, a full-time chief, a full-time lieutenant and a part-time clerk. The Village has paid-on-call fire department of approximately 30 paid-on-call Fire/EMT members. Relations between labor and management are best described as cooperative on most issues.

The list of the bargaining units is provided in Table 5.

Table 5
Bargaining Units

<u>Union/Association</u>	<u>Contract Term</u>	<u>Number of Members</u>
Wisconsin Professional Police Association	1/1/2019 - 12/31/2021	9
General Teamsters Union, Local 662	1/1/2021 - 12/31/2021	8

Pension and Retirement Plan

All eligible Village employees participate in the Wisconsin Retirement System (“WRS”), a cost sharing, multiple-employer, defined benefit public employee retirement system. The Village is required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. The Village has paid its current obligations to the Wisconsin Retirement System.

For more information please reference the Village’s Annual Financial Report for fiscal year ended December 31, 2019, as follows: “NOTE 3: DETAILED NOTES ON ALL FUNDS, F. PENSION PLAN.”

Education

There are two K-12 school districts, the D.C. Everest Area School District and the School District of Mosinee, that service the residents of the Village. Approximately 67 percent of the Village’s property value is located in the D.C. Everest Area School District.

The educational facilities of the D.C. Everest Area School District include one high school, one middle school, one junior high school and six elementary schools. The District has an enrollment of 6,017 students for the 2019-20 school year.

The educational facilities of the School District of Mosinee include one high school/middle school complex, and one elementary school. The District has an enrollment of 1,993 students for the 2019-20 school year.

Post-secondary education is available nearby at the University of Wisconsin – Marathon County, University of Wisconsin – Stevens Point, and North Central Technical College.

(The remainder of this page has been left blank intentionally.)

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The State of Wisconsin Department of Administration's January 1, 2020 population estimates for the Village and Marathon County are 8,158 and 137,237, respectively. The population estimates from the five most recent censuses are presented in the following table.

Table 6
Population Estimates

<u>Year</u>	<u>Village of Kronenwetter</u>	<u>Marathon County</u>
2010	7,210	134,063
2000	5,369	125,834
1990	4,850	115,400
1980	5,012	111,270
1970	2,595	97,457

Unemployment

The Department of Workforce Development provides estimates of the unemployment rate for Marathon County and the State of Wisconsin. Table 7 provides the average annual unemployment rates for Marathon County, the State of Wisconsin, and the United States for the last four years and the most recent available monthly non-seasonally adjusted unemployment rate as of November 2020 per the Bureau of Labor Statistics.

Table 7
Unemployment Rate

<u>Year</u>	<u>Marathon County</u>	<u>State of Wisconsin</u>	<u>United States</u>
2020*	3.4%	5.0%	6.4%
2019	2.9%	3.3%	3.7%
2018	2.6%	3.0%	3.9%
2017	2.9%	3.3%	4.4%
2016	3.6%	4.0%	4.9%

*Reflects the economic impact of COVID-19. Preliminary.

Construction

Table 8 presents construction activity within the Village for the past five years.

Table 8
Building Permits

<u>Year</u>	<u>Value of Permits</u>
2020	\$ 14,735,671
2019	25,479,448
2018	12,145,023
2017	18,582,656
2016	18,646,742

Major Employers

A representative list of the major employers in the Village is presented in Table 9.

Table 9
Major Employers¹

<u>Employer</u>	<u>Business Services</u>	<u>Employees</u>
Expera Specialty Solutions*	Paper mill	404
G3 Industries	Wire formers	150
American Asphalt	Asphalt production and paving	130
Wire Made	Wire Manufacturing	120
Woods Equipment	Construction, agricultural & landscape equipment	90
Wausau Homes**	Prefabricated homes	68
Aspirus Kronenwetter Clinic	Medical clinic	50
Village of Kronenwetter	Municipal government	50
Holland	Trucking-Motor Freight	45
Icrco Inc.	Computer Software	31

*Expera Specialty Solutions is located in the City of Mosinee, just outside of the Village limits.

** Wausau Homes is located on property in the Village and the adjoining Village of Rothschild.

(The remainder of this page has been left blank intentionally.)

¹ Phone survey; Data Axle Reference Solutions.

FINANCIAL SUMMARY

The following financial summary presents pertinent statistics relating to property valuations as assessed in 2020 for taxes collectible in 2021, indebtedness, population, and the indebtedness of overlapping governmental units to the Village. The information provided in the Financial Summary is subject in all respects to more complete information contained in this Official Statement.

Equalized Value (January 1, 2020)	\$ 691,295,200
General Obligation Long-Term Debt (Includes the Obligations)*	\$ 11,795,000
Overlapping Debt (12/31/2019)	\$ 21,704,088
Population (2020 State Estimate)	8,158

<u>Debt Statistics</u>	<u>Amount</u>	<u>Debt Per Capita</u>	<u>Debt as % of Equalized Value</u>
Direct Debt (Levy Supported)	\$ 11,795,000	\$ 1,446	1.71%
Overlapping Debt	<u>21,704,088</u>	<u>2,660</u>	<u>3.14%</u>
Total	<u>\$ 33,499,088</u>	<u>\$ 4,106</u>	<u>4.85%</u>

*Preliminary, subject to change.

(The remainder of this page has been left blank intentionally.)

INDEBTEDNESS

General Obligation Debt

Table 10 and Table 11 present the Village's general obligation long-term debt as of the issuance of the Obligations.

Table 10
Outstanding General Obligation Long-Term Debt by Issue

Date of <u>Issue</u>	<u>Type of Obligation</u>	Original Amount <u>Issued</u>	Outstanding Interest <u>Rate Range</u>	Final <u>Maturity</u>	Principal <u>Outstanding</u>
03/15/09	G.O. Refunding Bonds	\$ 5,100,000	4.125% - 5.000%	06/01/28	\$ -- ⁽¹⁾
07/17/12	Taxable G.O. Notes, Series 2012A	3,470,000	2.700%	06/01/22	2,310,000 ⁽²⁾
09/27/12	G.O. Refunding Bonds, Series 2012D	1,245,000	1.850%	10/01/22	-- ⁽³⁾
11/12/13	G.O. Notes, Series 2013A	2,380,000	2.150%	12/01/21	680,000
11/12/13	Taxable G.O. Notes, Series 2013B	3,900,000	3.000% - 3.250%	06/01/22	50,000 ⁽⁴⁾
03/01/16	G.O. Notes, Series 2016	2,300,000	2.00%	03/01/22	-- ⁽⁵⁾
12/17/18	G.O. Notes, Series 2018	1,290,000	3.00%	03/01/28	1,290,000
02/03/21	G.O. Ref. Bonds, Series 2021A	5,485,000	This Issue	04/01/34	5,485,000 ⁽⁶⁾
02/03/21	G.O. Ref. Bonds, Series 2021B	1,980,000	This Issue	06/01/30	1,980,000 ⁽⁶⁾
Total					<u><u>\$ 11,795,000</u></u>

- (1) The 2021 through 2028 maturities of the General Obligation Refunding Bonds, dated March 15, 2009, will be refunded by the 2021A Bonds on March 5, 2021. Therefore, those maturities have not been included in the calculation of the Village's outstanding debt.
- (2) The TID 1 portion (\$1,160,000) of the 2022 maturity of the Taxable General Obligation Promissory Notes, Series 2012A, dated July 17, 2012, will be refunded by the 2021B Bonds on March 5, 2021. Therefore, the full amount of the maturity has not been included in the calculation of the Village's outstanding debt.
- (3) The 2022 maturity of the General Obligation Refunding Bonds, Series 2012D, dated September 27, 2012, will be refunded by the 2021A Bonds on March 5, 2021. Therefore, that maturity has not been included in the calculation of the Village's outstanding debt.
- (4) The TID 4 portion (\$750,000) of the 2022 maturity of the Taxable General Obligation Promissory Notes, Series 2013B, dated November 12, 2013, will be refunded by the 2021B Bonds on March 5, 2021. As well, the Village will cash defease the TID 1 and TID 2 portions (\$1,575,000 and \$300,000, respectively) of the 2021 and 2022 maturities on January 25, 2021. Therefore, only the TID 4 portion (\$50,000) of the 2022 maturity has been included in the calculation of the Village's outstanding debt.
- (5) The 2022 maturity of the General Obligation Promissory Notes, Series 2016, dated March 1, 2016, will be refunded by the 2021A Bonds on March 5, 2021.
- (6) Preliminary, subject to change.

(The remainder of this page has been left blank intentionally.)

Table 11
Annual Maturity Schedule

<u>Year</u>	<u>Outstanding G.O. Debt⁽¹⁾</u>		<u>The Obligations (est.)</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2021	\$ 2,605,000	\$ 125,534	\$ --	\$ 46,089	\$ 2,776,623
2022	2,560,000	66,135	850,000	67,147	3,543,282
2023	255,000	27,375	860,000	61,976	1,204,351
2024	150,000	21,300	900,000	56,401	1,127,701
2025	155,000	16,725	915,000	50,066	1,136,791
2026	155,000	12,075	930,000	42,899	1,139,974
2027	160,000	7,350	915,000	34,681	1,117,031
2028	165,000	2,475	900,000	24,870	1,092,345
2029	--	--	460,000	15,575	475,575
2030	--	--	310,000	9,071	319,071
2031	--	--	105,000	5,742	110,742
2032	--	--	105,000	4,241	109,241
2033	--	--	105,000	2,639	107,639
2034	--	--	110,000	908	110,908
Total	\$ 6,205,000	\$ 278,969	\$ 7,465,000	\$ 422,305	\$ 14,371,274

⁽¹⁾ The 2021 outstanding general obligation payment includes the partial cash defeasance of the Taxable General Obligation Promissory Notes, Series 2013B, dated November 12, 2013, on January 25, 2021. The 2021 debt service payment does not include the payment coming from the escrow of the Obligations on March 5, 2021.

(The remainder of this page has been left blank intentionally.)

Short-Term Debt

The Village does not issue short-term debt for operational purposes.

Legal Debt Limit

Wisconsin Statutes, Section 67.03, and Section III, Article XI, of the Wisconsin Constitution, limit the Village’s indebtedness to 5% of the equalized value of taxable property located within the Village. In general, such indebtedness may be in the form of bonds and promissory notes for various public purposes.

The Village’s unused borrowing capacity as of the issuance of the Obligations will be as follows:

Table 12
Debt Limit

2020 Equalized Value	\$ 691,295,200
Legal Debt Limit (5% of Equalized Value)	34,564,760
Debt Outstanding* (34.1% of Capacity)	<u>11,795,000</u>
Remaining Borrowing Capacity (65.9% of Capacity)	<u><u>\$ 12,084,760</u></u>

*Includes the Obligations. Preliminary, subject to change.

No Default on Village Indebtedness

The Village has never defaulted on any of its prior or outstanding indebtedness.

Overlapping Debt

Four taxing jurisdictions’ boundaries overlap the Village’s boundaries. Table 13 sets forth the general obligation debt for those jurisdictions and the amount of their debt allocable to the Village as of December 31, 2019.

Table 13
Overlapping Debt

<u>Governmental Entity</u>	<u>General Obligation Debt</u>	<u>Percent Allocable to Village</u>	<u>Portion Allocable to to Village</u>
School District of Mosinee	\$ 21,705,000	17.49%	\$ 3,796,994
D. C. Everest Area School District	97,710,000	16.37%	15,991,773
Marathon County	12,435,000	5.59%	694,501
North Central Technical College	34,230,000	3.57%	<u>1,220,820</u>
Total			<u><u>\$ 21,704,088</u></u>

(The remainder of this page has been left blank intentionally.)

Revenue Debt

Table 14 presents the Village’s utility revenue debt as of the issuance of the Obligations.

Table 14
Revenue Debt by Issue

Date of Issue	Type of Obligation	Original Amount Issued	Outstanding Interest Rate Range	Final Maturity	Principal Outstanding
03/12/19	Water and Sewer Rev. BANs	1,490,000	2.500%	04/01/21	\$ -- ⁽¹⁾
Total					<u><u>\$ --</u></u>

⁽¹⁾ The Village will redeem the Water and Sewer System Revenue Bond Anticipation Note, Series 2019, dated March 12, 2019, on January 11, 2021. Therefore, the debt not been included in the calculation of the Village’s outstanding debt.

Future Financings

The Village does not anticipate issuing additional general obligation or utility revenue debt for capital projects during the next 6 months.

Redevelopment Lease Revenue Bonds

The Redevelopment Authority of the Village of Kronenwetter (the “Authority”) has the authority to issue Redevelopment Lease Revenue Bonds which are limited obligations of the Authority payable solely from the revenues and income derived by the Authority from lease payments made by the Village. The Authority has no taxing power. The bonds issued by the Authority are limited obligations of the Authority and do not constitute a debt of the Village within the meaning of any State constitutional provision or statutory limitation. Table 15 presents the Authority's redevelopment lease revenue obligations outstanding as of the issuance of the Obligations.

Table 15
Redevelopment Lease Revenue Debt by Issue

Date of Issue	Type of Obligation	Original Amount Issued	Outstanding Interest Rate Range	Final Maturity	Principal Outstanding
03/01/16	RDA Bonds, Series 2016 (TID No. 1)	\$ 2,595,000	1.350% - 3.200%	04/01/36	\$ 2,155,000
Total					<u><u>\$ 2,155,000</u></u>

(The remainder of this page has been left blank intentionally.)

Table 16
Annual Maturity Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2021	115,000	54,479	169,479
2022	115,000	52,811	167,811
2023	115,000	50,914	165,914
2024	120,000	48,708	168,708
2025	120,000	46,218	166,218
2026	125,000	43,490	168,490
2027	125,000	40,521	165,521
2028	130,000	37,333	167,333
2029	135,000	33,853	168,853
2030	140,000	30,070	170,070
2031	140,000	26,080	166,080
2032	145,000	21,875	166,875
2033	150,000	17,413	167,413
2034	155,000	12,723	167,723
2035	160,000	7,800	167,800
2036	165,000	2,640	167,640
Total	<u><u>\$ 2,155,000</u></u>	<u><u>\$ 526,928</u></u>	<u><u>2,681,925</u></u>

(The remainder of this page has been left blank intentionally.)

FINANCIAL INFORMATION

Financial Reports

The Village's accounts are independently audited. Excerpts from the audited financial statements for the year ended December 31, 2019 are attached hereto as Appendix A. The auditors have not performed any additional review and have not consented to the inclusion of the audit report or extracts from the audit report in this Official Statement. The Village did not seek the consent of the auditors. A comparative Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund for years 2016 to 2019 is presented below.

Table 17
Statement of Revenues, Expenditures and
Changes in Fund Balance for the General Fund
(Years Ended December 31)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
Taxes	\$1,466,093	\$880,870	\$873,262	\$1,316,194
Intergovernmental	2,174,933	2,136,380	2,061,750	2,061,453
Licenses and Permits	141,334	191,574	115,935	263,135
Fines and Forfeits	27,236	25,248	20,341	21,594
Public Charges for Services	328,216	348,530	329,505	343,612
Intergovernmental Charge for Services	5,100	5,100	5,100	5,100
Miscellaneous	61,394	107,884	60,439	125,413
Total Revenues	<u>4,204,306</u>	<u>3,695,586</u>	<u>3,466,332</u>	<u>4,136,501</u>
Expenditures				
General Government	665,096	607,131	638,719	632,420
Public Safety	1,147,920	1,094,204	1,090,495	1,180,647
Public Works	1,396,359	1,225,235	1,417,476	1,501,704
Culture and Recreation	94,256	82,566	2,215	2,755
Health and Human Services	5,440	1,855	86,595	95,560
Conservation and Development	42,645	43,876	45,872	49,862
Debt Service - Principal	27,586	20,603	21,211	21,837
Debt Service - Interest	--	5,466	6,375	5,749
Capital Outlay	285,106	10,270	86,296	27,289
Total Expenditures	<u>3,664,408</u>	<u>3,091,206</u>	<u>3,395,254</u>	<u>3,517,823</u>
Excess of Revenues Over (Under)				
Expenditures	539,898	604,380	71,078	618,678
Other Financing Sources (Uses)				
Long-Term Debt Issued	--	--	--	--
Sale of Land	--	--	--	--
Capital Leases	264,275	--	--	277,665
Transfer In	157,425	171,578	191,879	164,055
Transfer Out	(742,476)	(657,022)	(28,781)	(221,348)
Excess of Revenues and Other Financing Sources (Uses)	219,122	118,936	234,176	839,050
Fund Balance - January 1	<u>1,326,470</u>	<u>1,545,592</u>	<u>1,664,528</u>	<u>1,898,704</u>
Fund Balance - December 31	<u>1,545,592</u>	<u>1,664,528</u>	<u>1,898,704</u>	<u>2,737,754</u>

Budgeting

In August of each year all departments of the Village submit requests for appropriations to the village administrator so that a budget may be prepared. Prior to October 15, the village administrator submits to the Village Board a proposed operating budget, including capital expenditures, for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them. A public hearing is held in the Village Board to obtain taxpayer comments. The budget is legally adopted by the Village Board through the passage of an ordinance; usually prior to December 1.

Investments

State statutes authorize the Village to invest in obligations of the United States Treasury, U.S. government agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, the State of Wisconsin Local Government Investment Pool, the Wisconsin Investment Trust, any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency, repurchase agreements if secured by U.S. government securities, and securities of open-end management investment companies or investment trusts if the portfolio meets certain restrictions. The Village only deposits and invests its monies in investments allowed by State statute.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation ("FDIC") in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts, noninterest bearing transaction accounts and interest-bearing demand deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

A description of investment practices and investments at year-end 2019 is included in Appendix A in the Notes to Financial Statements. A summary of the carrying amount of the Village's cash and investments as of December 31, 2019 is presented in Table 18.

Table 18
Cash and Investments

	<u>Balance</u>
Deposits with Financial Institutions	\$ 13,526,166
Petty Cash and Cash on Hand	161
Investments	<u>406,315</u>
Total	<u><u>\$ 13,932,642</u></u>

(The remainder of this page has been left blank intentionally.)

PROPERTY VALUATIONS AND TAXES

Assessed and Equalized Values

The Assessed Value is the value of taxable property upon which tax levies are spread. With the exception of manufacturing property, it is determined annually by the local assessor as of January 1. The State Department of Revenue makes the annual assessment of all manufacturing property in the State.

The Equalized Value is determined by the Department of Revenue in order to maintain equity between municipalities and counties. The value represents the current market value of all the property in the taxing district. These certified values are used for apportioning county property taxes, public school taxes, and vocational school taxes as well as for distributing property tax relief.

Wisconsin courts have determined that the constitutional requirement for uniformity of assessment is met even though the assessment in question may be less than full value, provided all property within the tax district is assessed at the same proximate level. Beginning in 1986, all municipalities were required to assess taxable property at a minimum of 90% of State equalized values at least once every five years.

The State of Wisconsin equalizes local assessments to full values. This equalized valuation is the basis used in computing the five-percent State constitutional debt limitation. Table 19 shows the total equalized value trends for the Village for the past five years, and Table 20 provides the 2020 equalized value by class.

Table 19
Property Value Trends

<u>Year</u>	<u>Total</u> <u>Equalized Value</u>	<u>Year-Over-Year</u> <u>Change</u>
2020	\$ 691,295,200	5.8%
2019	653,682,400	10.0%
2018	594,524,100	3.9%
2017	571,862,500	4.5%
2016	547,201,800	6.6%

Table 20
Equalized Value by Category

	<u>2020</u> <u>Equalized Value</u>	<u>Percent of</u> <u>Total Value</u>
Residential	\$ 537,858,000	77.80%
Commercial	91,747,700	13.27%
Manufacturing	15,271,100	2.21%
Agriculture	715,600	0.10%
Undeveloped	6,427,000	0.93%
Ag Forest	4,502,600	0.65%
Forest	23,746,800	3.44%
Other	2,600,800	0.38%
Personal Property	8,425,600	1.22%
Total	<u><u>\$ 691,295,200</u></u>	<u><u>100.00%</u></u>

Tax Levy and Collection Procedures

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Municipalities have the option of adopting payment plans which allow taxpayers to pay their real property taxes in installments. On or before January 15 and February 20 and the 15th day of each month following a month in which an installment payment is due in municipalities with three or more installments, the town, city or village treasurer settles with other taxing jurisdictions for all collections through the preceding month. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges.

Under the Wisconsin collection system, where counties absorb delinquencies of property taxes on real property, the Village collects 100% of its real estate taxes in the year when due. The Village's property tax collections, including collections for the Village for the previous five years are summarized in Table 21.

Table 21
Property Tax Levies

<u>Levy/ Collection Year</u>	<u>Village Levy</u>
2019/2020	\$ 2,354,956
2018/2019	2,285,686
2017/2018	2,200,500
2016/2017	1,693,386
2015/2016	2,366,124

Table 22 presents the tax rates per \$1,000 of equalized value for property located in the D.C. Everest Area School District for the last five years.

Table 22
Tax Rates Per \$1,000 of Equalized Value

<u>Taxing District</u>	<u>2015/16</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
D.C. Everest Area School District	\$ 11.46	\$ 11.38	\$ 11.47	\$ 11.24	\$ 12.09
Marathon County	5.36	5.53	5.48	5.40	5.60
Village of Kronenwetter	4.80	3.65	4.58	4.67	4.71
North Central Technical College	1.31	1.38	1.39	1.42	1.51
State	0.17	0.19	0	0	0
Less: State Credits	(1.77)	(1.75)	(1.87)	(1.86)	(1.82)
Total	\$ 21.33	\$ 20.38	21.05	20.87	\$ 22.09

(The remainder of this page has been left blank intentionally.)

The ten largest taxpayers in the Village based on January 1, 2020, assessed values are found in Table 23.

Table 23
Largest Taxpayers

Taxpayer	Type of Property or Business	2020 Assessed Value	Percent of Total
S.C. Swiderski LLC	Land Development	\$ 10,089,900	1.77%
Premier Glad Kronenwetter LLC	Apartments	9,915,000	1.74%
Premier Timber Creek Apartment	Apartments	8,435,800	1.48%
Ows LLC	Property Management	4,745,200	0.83%
Wausau Tile Inc.	Tile Manufacturer	4,626,000	0.81%
Welsh Queenland LLC	Land and Business Development	4,285,600	0.75%
Wausau PBV LLC	Truck Center	3,079,400	0.54%
Wausau Homes	Prefabricated Home Manufacturer	2,967,900	0.52%
G3/Wire Made	Wire Products Manufacturer	2,877,700	0.51%
Wausau Paper	Paper Manufacturer	2,768,800	0.49%
		51,226,800	9.44%
	Total 2020 Assessed Value	\$ 568,787,300	

Levy Limits

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. 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 exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

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

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

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

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

LEGAL MATTERS

Pending Litigation

There is no controversy or litigation of any nature now pending, or to the best of the Village's knowledge, threatened seeking to restrain or enjoin the issuance, sale, execution or delivery of the Obligations, or in any way contesting the validity of the Obligations.

Approval of Legal Proceedings

Certain legal matters incident to the authorization and issuance of the Obligations are subject to the approval of Quarles & Brady LLP, Bond Counsel, whose approving legal opinions will be available at the time of the delivery of the Obligations. The proposed forms of such opinions are attached hereto as Appendix B. Bond Counsel has not participated in the preparation of this Official Statement, except for guidance concerning the sections entitled "LEGAL MATTERS – Tax Exemption (2021A Bonds)" and "LEGAL MATTERS – Taxability of Interest (2021B Bonds)" and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in the Official Statement, and will express no opinion with respect thereto. See Appendix B "Form of Legal Opinions" for the Obligations.

Tax Exemption (2021A Bonds)

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the 2021A Bonds under existing law substantially in the following form:

“The interest on the 2021A Bonds is excludable for federal income tax purposes from the gross income of the owners of the 2021A Bonds. The interest on the 2021A 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 2021A Bonds in order for interest on the 2021A 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 2021A Bonds to be included in gross income retroactively to the date of issuance of the 2021A 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 2021A Bonds.”

The interest on the 2021A Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the 2021A Bonds should be aware that ownership of the 2021A Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the 2021A Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the 2021A Bonds. It cannot be predicted whether, or in what form any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the 2021A Bonds may be enacted. Prospective purchasers of the 2021A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Not Qualified Tax-Exempt Obligations (2021A Bonds)

The 2021A Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) 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.

Taxability of Interest (2021B Bonds)

Interest on the 2021B Bonds is included in gross income for present Federal income tax purposes. Interest on the 2021B Bonds is not exempt from present Wisconsin income or franchise taxes.

Not Qualified Tax-Exempt Obligations (2021B Bonds)

The 2021B Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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

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 Obligations would not occur.

Impact of Covid-19

In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. On March 25, 2020, Wisconsin's “safer-at-home” order (the “Order”) went into effect, which ordered the closure of all non-essential business and operations until April 24, 2020 and was subsequently 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 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 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. 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 35 More than 10 people for indoor spaces without an occupancy limit), with certain exceptions. Emergency Order #3 expired November 6, 2020.

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. The State's finances may materially be adversely affected by the continued spread of COVID-19, which could affect the amount appropriated and timing of the distribution of State aid. 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") memorandums released in May, June and July 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 \$140,934.40. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. In addition, the Village received a WEC CARES Subgrant in the amount of \$5,483.30 and an Elections COVID Response Grant from the Center for Technology and Civic Life for \$5,000.

(The remainder of this page has been left blank intentionally.)

MISCELLANEOUS

Ratings

S&P Global Ratings has assigned a rating of “AA-” on the Obligations.

A rating reflects only the view of the rating organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Obligations.

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

Municipal Advisor

The Village has retained PFM Financial Advisors LLC, of Milwaukee, Wisconsin, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Obligations. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, which have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Obligations. PFM Financial Advisor LLC is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a municipal advisor.

Requests for information concerning the Village should be addressed to PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214 (414/847-5586).

Underwriting

Bids for the **2021A Bonds** are scheduled to be received at a competitive public sale on January 12, 2021.

_____ (“Underwriter”) has agreed, subject to the conditions of closing set forth in the Official Notice of Sale, to purchase the 2021A Bonds at a purchase price of \$_____ (consisting of the par amount of the 2021A Bonds, plus a net original issue premium of \$_____, less an underwriter's discount of \$_____).

The 2021A Bonds will be offered at the initial public offering prices which produce the yields shown on the cover page of this Official Statement. After the 2021A Bonds are released for sale to the public, the initial public offering prices and other selling terms may from time to time be varied by the Underwriter.

Bids for the **2021B Bonds** are scheduled to be received at a competitive public sale on January 12, 2021.

_____ (“Underwriter”) has agreed, subject to the conditions of closing set forth in the Official Notice of Sale, to purchase the 2021B Bonds at a purchase price of \$_____ (consisting of the par amount of the 2021B Bonds, plus a net original issue premium of \$_____, less an underwriter's discount of \$_____).

APPENDIX A

Village of Kronenwetter, Wisconsin Excerpts from Financial Statements for the Year Ended December 31, 2019

A copy of the Village's financial statements for the year ended December 31, 2019, including the accompanying independent auditor's report are included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the financial position of the Village. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested the Auditors to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the Village requested that the Auditors consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, the Village represents that there 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.

(This page has been left blank intentionally.)

Village of Kronenwetter, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

Village of Kronenwetter, Wisconsin

DECEMBER 31, 2019

Table of Contents

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Park Special Revenue Fund	14
Statement of Net Position - Proprietary Funds	15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	16
Statement of Cash Flows - Proprietary Funds	17
Statement of Net Position - Fiduciary Fund	19
Statement of Changes in Net Position - Fiduciary Fund	20
Notes to Basic Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability (Asset) - Wisconsin Retirement System	44
Schedule of Contributions - Wisconsin Retirement System	44
Notes to Required Supplementary Information	45
SUPPLEMENTARY INFORMATION	
General Fund	
Detailed Comparison of Budgeted and Actual Revenues	46
Detailed Comparison of Budgeted and Actual Expenditures	47
Combining Balance Sheet - Nonmajor Governmental Funds	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	50

Village of Kronenwetter, Wisconsin

DECEMBER 31, 2019

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52
Schedule of Findings and Responses	54



Independent auditors' report

To the Village Board
Village of Kronenwetter, 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 Kronenwetter, Wisconsin (the "Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Village'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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

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

EMPHASIS OF MATTER

As described in Note 1.B., during 2019, the Village adopted new accounting guidance, Statement No. 84, *Fiduciary Activities*. As a result, the Village established a custodial fund for taxes and specials collected for other governments. In prior years, these amounts were reported in the general fund. 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 schedules relating to pension on page 44 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Prior-Year Comparative Information

We have previously audited the Village's 2018 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated August 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Kronenwetter, Wisconsin's basic financial statements as of and for the year ended December 31, 2018, which are not presented with the accompanying financial statements and expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Kronenwetter, Wisconsin's basic financial statements as a whole. The 2018 actual amounts in the general fund budgetary comparison information are presented for purposes of additional analysis and are 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 used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 actual amounts in the general fund budgetary comparison information are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Wausau, Wisconsin
May 6, 2020

BASIC FINANCIAL STATEMENTS

Village of Kronenwetter, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals	
			2019	2018
ASSETS				
Cash and investments	\$ 5,094,202	\$ 1,209,380	\$ 6,303,582	\$ 8,859,195
Receivables				
Taxes and special charges	2,142,691	-	2,142,691	7,744,321
Delinquent taxes	669	-	669	544
Accounts, net	69,970	223,556	293,526	275,949
Special assessments	96,469	-	96,469	230,344
Other	-	18	18	17
Inventories and prepaid items	31,191	15,409	46,600	85,543
Restricted assets				
Cash and investments	2,721,338	553,988	3,275,326	3,149,920
Net pension asset	-	-	-	293,906
Preliminary survey	-	108,954	108,954	108,954
Capital assets, nondepreciable	2,275,630	117,209	2,392,839	3,047,275
Capital assets, depreciable	17,393,554	18,829,867	36,223,421	34,961,917
Total assets	29,825,714	21,058,381	50,884,095	58,757,885
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	945,984	52,515	998,499	545,782
LIABILITIES				
Accounts payable	326,411	18,722	345,133	155,564
Accrued and other current liabilities	147,655	6,930	154,585	127,541
Due to other governments	852	-	852	8,735,480
Accrued interest payable	85,998	-	85,998	68,050
Long-term obligations				
Due within one year	1,376,754	-	1,376,754	2,606,837
Due in more than one year	17,427,871	-	17,427,871	17,319,753
Net pension liability	347,697	19,083	366,780	-
Total liabilities	19,713,238	44,735	19,757,973	29,013,225
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	4,046,111	-	4,046,111	3,667,377
Pension related amounts	481,057	26,403	507,460	579,737
Total deferred inflows of resources	4,527,168	26,403	4,553,571	4,247,114
NET POSITION				
Net investment in capital assets	10,002,010	18,947,076	28,949,086	28,467,407
Restricted	644,466	-	644,466	668,824
Unrestricted	(4,115,184)	2,092,682	(2,022,502)	(3,092,903)
Total net position	\$ 6,531,292	\$ 21,039,758	\$ 27,571,050	\$ 26,043,328

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

Village of Kronenwetter, Wisconsin

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 767,323	\$ 133,840	\$ 10,212	\$ -
Public safety	1,361,334	144,668	69,752	-
Public works	2,127,069	351,530	365,269	-
Health and human services	2,755	-	-	-
Culture and recreation	161,984	5,839	2,688	-
Conservation and development	210,896	18,557	-	90,571
Interest and fiscal charges	593,251	-	-	-
Total governmental activities	5,224,612	654,434	447,921	90,571
BUSINESS-TYPE ACTIVITIES				
Water utility	545,697	730,597	-	9,450
Sewer utility	766,200	646,051	-	-
Total business-type activities	1,311,897	1,376,648	-	9,450
Total	<u>\$ 6,536,509</u>	<u>\$ 2,031,082</u>	<u>\$ 447,921</u>	<u>\$ 100,021</u>

General revenues
 Taxes
 Property taxes
 Tax increments
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Miscellaneous
 Gain on sale of asset
 Transfers
 Total general revenues and transfers
 Change in net position
 Net position - January 1
 Net position - December 31

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-type Activities	Totals	
		2019	2018
\$ (623,271)	\$ -	\$ (623,271)	\$ (706,613)
(1,146,914)	-	(1,146,914)	(1,057,218)
(1,410,270)	-	(1,410,270)	(1,392,936)
(2,755)	-	(2,755)	(2,215)
(153,457)	-	(153,457)	(55,919)
(101,768)	-	(101,768)	(58,173)
(593,251)	-	(593,251)	(598,477)
<u>(4,031,686)</u>	<u>-</u>	<u>(4,031,686)</u>	<u>(3,871,551)</u>
-	194,350	194,350	225,431
-	(120,149)	(120,149)	(46,958)
-	74,201	74,201	178,473
<u>(4,031,686)</u>	<u>74,201</u>	<u>(3,957,485)</u>	<u>(3,693,078)</u>
2,286,303	-	2,286,303	2,200,500
917,941	-	917,941	871,175
29,891	-	29,891	27,749
1,692,516	-	1,692,516	1,676,998
128,035	24,278	152,313	93,339
110,564	14,689	125,253	95,406
280,990	-	280,990	1,482
164,055	(164,055)	-	-
<u>5,610,295</u>	<u>(125,088)</u>	<u>5,485,207</u>	<u>4,966,649</u>
1,578,609	(50,887)	1,527,722	1,273,571
<u>4,952,683</u>	<u>21,090,645</u>	<u>26,043,328</u>	<u>24,769,757</u>
<u>\$ 6,531,292</u>	<u>\$ 21,039,758</u>	<u>\$ 27,571,050</u>	<u>\$ 26,043,328</u>

Village of Kronenwetter, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	General	Park	Debt Service	TID #1
ASSETS				
Cash and investments	\$ 3,590,360	\$ 40,104	\$ 655,493	\$ -
Restricted cash and investments	-	-	-	630,827
Receivables				
Taxes and special charges	719,733	-	690,129	184,292
Delinquent taxes	669	-	-	-
Accounts, net	25,729	-	-	-
Special assessments	-	-	96,469	-
Advance to other funds	34,750	-	-	-
Inventories and prepaid items	30,061	-	-	59
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,401,302</u>	<u>\$ 40,104</u>	<u>\$ 1,442,091</u>	<u>\$ 815,178</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 87,030	\$ 213,584	\$ 214	\$ 598
Accrued and other current liabilities	143,127	-	-	1,570
Advance from other funds	-	663,959	-	-
Due to other governments	852	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>231,009</u>	<u>877,543</u>	<u>214</u>	<u>2,168</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	1,432,539	-	1,235,057	318,154
Fines receivable	-	-	-	-
Special assessments	-	-	96,469	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>1,432,539</u>	<u>-</u>	<u>1,331,526</u>	<u>318,154</u>
Fund balances				
Nonspendable	64,811	-	-	59
Restricted	-	-	110,351	494,797
Committed	-	-	-	-
Assigned	1,362,000	-	-	-
Unassigned	1,310,943	(837,439)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,737,754</u>	<u>(837,439)</u>	<u>110,351</u>	<u>494,856</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,401,302</u>	<u>\$ 40,104</u>	<u>\$ 1,442,091</u>	<u>\$ 815,178</u>

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

TID #2	Other Governmental Funds	Totals	
		2019	2018
\$ -	\$ 808,245	\$ 5,094,202	\$ 7,902,893
1,907,524	182,987	2,721,338	2,602,616
367,482	181,055	2,142,691	7,744,321
-	-	669	544
-	44,241	69,970	48,905
-	-	96,469	230,344
629,209	-	663,959	34,750
103	968	31,191	70,711
<u>\$ 2,904,318</u>	<u>\$ 1,217,496</u>	<u>\$ 10,820,489</u>	<u>\$ 18,635,084</u>
\$ 6,196	\$ 18,789	\$ 326,411	\$ 130,722
686	2,272	147,655	119,045
-	-	663,959	34,750
-	-	852	8,735,480
<u>6,882</u>	<u>21,061</u>	<u>1,138,877</u>	<u>9,019,997</u>
727,516	332,845	4,046,111	3,667,377
-	44,241	44,241	43,139
-	-	96,469	230,344
<u>727,516</u>	<u>377,086</u>	<u>4,186,821</u>	<u>3,940,860</u>
103	968	65,941	105,461
2,169,817	134,729	2,909,694	3,152,544
-	684,602	684,602	622,807
-	-	1,362,000	705,000
-	(950)	472,554	1,088,415
<u>2,169,920</u>	<u>819,349</u>	<u>5,494,791</u>	<u>5,674,227</u>
<u>\$ 2,904,318</u>	<u>\$ 1,217,496</u>	<u>\$ 10,820,489</u>	<u>\$ 18,635,084</u>

Village of Kronenwetter, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 5,494,791	\$ 5,674,227
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	19,669,184	18,754,681
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net pension asset	-	280,140
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments	96,469	230,344
Fines receivable	44,241	43,139
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	945,984	517,377
Deferred inflows related to pensions	(481,057)	(552,585)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(18,435,000)	(19,530,000)
Premium on debt	(45,827)	(50,191)
Compensated absences	(150,760)	(151,524)
Net pension liability	(347,697)	-
Capital leases	(173,038)	(194,875)
Accrued interest on long-term obligations	<u>(85,998)</u>	<u>(68,050)</u>
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 6,531,292</u>	<u>\$ 4,952,683</u>

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

Village of Kronenwetter, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Park	Debt Service	TID #1
REVENUES				
Taxes	\$ 1,316,194	\$ -	\$ 1,000,000	\$ 285,445
Special assessments	-	-	133,875	-
Intergovernmental	2,061,453	-	-	2,812
Licenses and permits	263,135	-	-	-
Fines and forfeits	21,594	-	-	-
Public charges for services	343,612	-	-	-
Intergovernmental charges for services	5,100	-	-	-
Miscellaneous	125,413	1,708	15,510	75,088
Total revenues	<u>4,136,501</u>	<u>1,708</u>	<u>1,149,385</u>	<u>363,345</u>
EXPENDITURES				
Current				
General government	632,420	-	-	-
Public safety	1,180,647	-	-	-
Public works	1,501,704	-	-	-
Health and human services	2,755	-	-	-
Culture and recreation	95,560	-	-	-
Conservation and development	49,862	-	-	47,342
Debt service				
Principal	21,837	-	850,000	1,575,000
Interest and fiscal charges	5,749	-	229,115	231,224
Capital outlay	27,289	922,804	-	126
Total expenditures	<u>3,517,823</u>	<u>922,804</u>	<u>1,079,115</u>	<u>1,853,692</u>
Excess of revenues over (under) expenditures	<u>618,678</u>	<u>(921,096)</u>	<u>70,270</u>	<u>(1,490,347)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	1,490,000
Premium on debt issued	-	-	-	8,478
Payment to current noteholder	-	-	-	-
Proceeds from sale of capital assets	277,665	-	-	-
Transfers in	164,055	-	-	-
Transfers out	(221,348)	-	-	-
Total other financing sources (uses)	<u>220,372</u>	<u>-</u>	<u>-</u>	<u>1,498,478</u>
Net change in fund balances	839,050	(921,096)	70,270	8,131
Fund balances - January 1	<u>1,898,704</u>	<u>83,657</u>	<u>40,081</u>	<u>486,725</u>
Fund balances - December 31	<u>\$ 2,737,754</u>	<u>\$ (837,439)</u>	<u>\$ 110,351</u>	<u>\$ 494,856</u>

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

TID #2	Other Governmental Funds	Totals	
		2019	2018
\$ 523,316	\$ 109,180	\$ 3,234,135	\$ 3,099,437
-	-	133,875	147,697
44,825	25,968	2,135,058	2,126,427
-	-	263,135	115,935
-	12,621	34,215	31,948
-	-	343,612	410,730
-	1,113	6,213	6,079
50,397	102,616	370,732	250,475
<u>618,538</u>	<u>251,498</u>	<u>6,520,975</u>	<u>6,188,728</u>
-	40,969	673,389	679,109
-	20,654	1,201,301	1,136,475
-	-	1,501,704	1,417,476
-	-	2,755	2,215
-	43,410	138,970	136,051
87,621	29,397	214,222	182,524
110,000	50,000	2,606,837	1,618,571
76,318	45,739	588,145	615,238
170,313	598,781	1,719,313	671,917
<u>444,252</u>	<u>828,950</u>	<u>8,646,636</u>	<u>6,459,576</u>
<u>174,286</u>	<u>(577,452)</u>	<u>(2,125,661)</u>	<u>(270,848)</u>
-	-	1,490,000	1,290,000
-	-	8,478	27,911
-	-	-	(500,000)
-	6,027	283,692	27,000
-	221,348	385,403	220,660
-	-	(221,348)	(49,549)
<u>-</u>	<u>227,375</u>	<u>1,946,225</u>	<u>1,016,022</u>
174,286	(350,077)	(179,436)	745,174
1,995,634	1,169,426	5,674,227	4,929,053
<u>\$ 2,169,920</u>	<u>\$ 819,349</u>	<u>\$ 5,494,791</u>	<u>\$ 5,674,227</u>

Village of Kronenwetter, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (179,436)	\$ 745,174
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	1,716,212	620,481
Contributed capital assets	24,000	-
Depreciation expense reported in the statement of activities	(757,803)	(746,752)
Net book value of disposals	(67,906)	(25,518)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(132,773)	(151,286)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(1,490,000)	(1,290,000)
Premium on debt issued	(8,478)	(27,911)
Principal repaid	2,606,837	2,118,571
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(17,948)	9,905
Amortization of premiums, discounts and loss on advance refunding	12,842	6,856
Compensated absences	764	2,331
Net pension asset (liability)	(627,837)	355,907
Deferred outflows of resources related to pensions	428,607	(71,452)
Deferred inflows of resources related to pensions	<u>71,528</u>	<u>(314,306)</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ 1,578,609</u>	<u>\$ 1,232,000</u>

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

Village of Kronenwetter, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 1,310,230	\$ 1,315,970	\$ 1,316,194	\$ 224	\$ 873,262
Intergovernmental	2,026,694	2,056,119	2,061,453	5,334	2,066,677
Licenses and permits	136,050	243,350	263,135	19,785	115,935
Fines and forfeits	24,000	24,000	21,594	(2,406)	20,341
Public charges for services	331,517	331,517	343,612	12,095	329,505
Intergovernmental charges for services	5,100	5,100	5,100	-	5,100
Miscellaneous	22,300	100,133	125,413	25,280	55,512
Total revenues	3,855,891	4,076,189	4,136,501	60,312	3,466,332
EXPENDITURES					
Current					
General government	757,382	757,382	632,420	124,962	638,719
Public safety	1,305,065	1,306,945	1,180,647	126,298	1,090,495
Public works	1,515,563	1,582,563	1,501,704	80,859	1,417,476
Health and human services	2,755	2,755	2,755	-	2,215
Culture and recreation	133,456	133,456	95,560	37,896	86,595
Conservation and development	45,440	50,705	49,862	843	45,872
Debt service					
Principal	-	-	21,837	(21,837)	21,211
Interest and fiscal charges	-	-	5,749	(5,749)	6,375
Capital outlay	21,650	21,650	27,289	(5,639)	86,296
Total expenditures	3,781,311	3,855,456	3,517,823	337,633	3,395,254
Excess of revenues over expenditures	74,580	220,733	618,678	397,945	71,078
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	500	262,520	277,665	15,145	-
Transfers in	157,000	157,000	164,055	7,055	191,879
Transfers out	(228,421)	(228,421)	(221,348)	7,073	(28,781)
Total other financing sources (uses)	(70,921)	191,099	220,372	29,273	163,098
Net change in fund balance	3,659	411,832	839,050	427,218	234,176
Fund balance - January 1	1,898,704	1,898,704	1,898,704	-	1,664,528
Fund balance - December 31	\$ 1,902,363	\$ 2,310,536	\$ 2,737,754	\$ 427,218	\$ 1,898,704

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

Village of Kronenwetter, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - PARK SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 281,000	\$ 281,000	\$ -	\$ (281,000)	\$ -
Public charges for services	-	-	-	-	81,225
Miscellaneous	400	400	1,708	1,308	1,065
Total revenues	281,400	281,400	1,708	(279,692)	82,290
EXPENDITURES					
Capital outlay	969,800	969,800	922,804	46,996	27,185
Excess of revenues over (under) expenditures	(688,400)	(688,400)	(921,096)	(232,696)	55,105
OTHER FINANCING SOURCES					
Transfers in	169,500	169,500	-	(169,500)	-
Net change in fund balance	(518,900)	(518,900)	(921,096)	(402,196)	55,105
Fund balance - January 1	83,657	83,657	83,657	-	28,552
Fund balance - December 31	\$ (435,243)	\$ (435,243)	\$ (837,439)	\$ (402,196)	\$ 83,657

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

Village of Kronenwetter, Wisconsin

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Water Utility	Sewer Utility	Totals	
			2019	2018
ASSETS				
Current assets				
Cash and investments	\$ 342,726	\$ 866,654	\$ 1,209,380	\$ 956,302
Receivables				
Customer accounts	117,945	105,611	223,556	227,044
Other	18	-	18	17
Inventories and prepaid items	12,770	2,639	15,409	14,832
Total current assets	473,459	974,904	1,448,363	1,198,195
Noncurrent assets				
Restricted assets				
Cash and investments	276,994	276,994	553,988	547,304
Other assets				
Net pension asset	-	-	-	13,766
Preliminary survey	108,954	-	108,954	108,954
Total other assets	108,954	-	108,954	122,720
Capital assets				
Nondepreciable	117,209	-	117,209	117,209
Depreciable	9,298,260	9,531,607	18,829,867	19,137,302
Total capital assets	9,415,469	9,531,607	18,947,076	19,254,511
Total assets	10,274,876	10,783,505	21,058,381	21,122,730
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	26,003	26,512	52,515	28,405
LIABILITIES				
Current liabilities				
Accounts payable	730	17,992	18,722	24,842
Accrued and other current liabilities	3,465	3,465	6,930	8,496
Total current liabilities	4,195	21,457	25,652	33,338
Long-term obligations, less current portion				
Net pension liability	9,426	9,657	19,083	-
Total liabilities	13,621	31,114	44,735	33,338
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	13,042	13,361	26,403	27,152
NET POSITION				
Net investment in capital assets	9,415,469	9,531,607	18,947,076	19,254,511
Restricted	-	-	-	13,766
Unrestricted	858,747	1,233,935	2,092,682	1,822,368
Total net position	\$ 10,274,216	\$ 10,765,542	\$ 21,039,758	\$ 21,090,645

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

Village of Kronenwetter, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Water Utility	Sewer Utility	Totals	
			2019	2018
OPERATING REVENUES				
Charges for services	\$ 688,576	\$ 594,179	\$ 1,282,755	\$ 1,302,841
Other	42,021	51,872	93,893	68,476
Total operating revenues	730,597	646,051	1,376,648	1,371,317
OPERATING EXPENSES				
Operation and maintenance	337,528	544,927	882,455	772,333
Depreciation	208,169	217,691	425,860	421,302
Taxes	-	3,582	3,582	4,363
Total operating expenses	545,697	766,200	1,311,897	1,197,998
Operating income (loss)	184,900	(120,149)	64,751	173,319
NONOPERATING REVENUES (EXPENSES)				
Interest income	8,568	15,710	24,278	17,984
Interest and fiscal charges	-	-	-	(375)
Amortization of debt discount/premium	-	-	-	5,529
Other nonoperating revenues (expenses)	14,689	-	14,689	16,225
Total nonoperating revenues (expenses)	23,257	15,710	38,967	39,363
Income (loss) before contributions and transfers	208,157	(104,439)	103,718	212,682
Capital contributions	9,450	-	9,450	-
Transfers out	(159,882)	(4,173)	(164,055)	(171,111)
Change in net position	57,725	(108,612)	(50,887)	41,571
Net position - January 1	10,216,491	10,874,154	21,090,645	21,049,074
Net position - December 31	<u>\$ 10,274,216</u>	<u>\$ 10,765,542</u>	<u>\$ 21,039,758</u>	<u>\$ 21,090,645</u>

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

Village of Kronenwetter, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Water Utility	Sewer Utility	Totals	
			2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 705,070	\$ 647,065	\$ 1,352,135	\$ 1,335,220
Cash received from tower rental	28,000	-	28,000	28,000
Cash paid for employee wages and benefits	(117,065)	(97,096)	(214,161)	(192,455)
Cash paid to suppliers	(213,161)	(458,988)	(672,149)	(603,823)
Miscellaneous nonoperating income	14,689	-	14,689	16,225
Net cash provided by operating activities	<u>417,533</u>	<u>90,981</u>	<u>508,514</u>	<u>583,167</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	<u>(159,882)</u>	<u>(4,173)</u>	<u>(164,055)</u>	<u>(171,111)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(108,975)	-	(108,975)	(120,649)
Principal paid on long-term debt	-	-	-	(112,640)
Interest paid on long-term debt	-	-	-	(1,126)
Net cash used by capital and related financing activities	<u>(108,975)</u>	<u>-</u>	<u>(108,975)</u>	<u>(234,415)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>8,568</u>	<u>15,710</u>	<u>24,278</u>	<u>17,984</u>
Change in cash and investments	157,244	102,518	259,762	195,625
Cash and investments - January 1	<u>462,476</u>	<u>1,041,130</u>	<u>1,503,606</u>	<u>1,307,981</u>
Cash and investments - December 31	<u>\$ 619,720</u>	<u>\$ 1,143,648</u>	<u>\$ 1,763,368</u>	<u>\$ 1,503,606</u>

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

Village of Kronenwetter, Wisconsin

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Water Utility	Sewer Utility	Totals	
			2019	2018
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 184,900	\$ (120,149)	\$ 64,751	\$ 173,319
Miscellaneous nonoperating income	14,689	-	14,689	16,225
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	208,169	217,691	425,860	421,302
Depreciation charged to sewer utility	20,276	(20,276)	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Change in WRS asset/liability	16,096	16,753	32,849	(17,309)
Change in WRS deferred outflow	(12,115)	(11,995)	(24,110)	1,207
Change in WRS deferred inflow	(114)	(635)	(749)	16,009
Change in operating assets and liabilities				
Accounts receivables	2,473	1,014	3,487	(8,097)
Inventories and prepaid items	(474)	(103)	(577)	(1,307)
Accounts payable	(13,716)	7,596	(6,120)	(21,424)
Accrued and other current liabilities	(2,651)	1,085	(1,566)	3,242
Net cash provided by operating activities	<u>\$ 417,533</u>	<u>\$ 90,981</u>	<u>\$ 508,514</u>	<u>\$ 583,167</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	\$ 342,726	\$ 866,654	\$ 1,209,380	\$ 956,302
Cash and cash equivalents in restricted assets	<u>276,994</u>	<u>276,994</u>	<u>553,988</u>	<u>547,304</u>
Total cash and investments	<u>\$ 619,720</u>	<u>\$ 1,143,648</u>	<u>\$ 1,763,368</u>	<u>\$ 1,503,606</u>
Noncash capital and related financing activities				
Developer and municipal contributed capital assets	<u>\$ 9,450</u>	<u>\$ -</u>	<u>\$ 9,450</u>	<u>\$ -</u>

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

Village of Kronenwetter, Wisconsin

**STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2019**

	Tax Collection Custodial Fund
ASSETS	
Cash and investments	<u>\$ 4,353,734</u>
LIABILITIES	
Due to other governments	<u>\$ 4,353,734</u>

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

Village of Kronenwetter, Wisconsin

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Tax Collection Custodial Fund
ADDITIONS	
Property tax collections	<u>\$ 6,701,334</u>
DEDUCTIONS	
Payments to taxing jurisdictions	<u>6,701,334</u>
Change in net position	-
Net position - January 1	<u>-</u>
Net position - December 31	<u><u>\$ -</u></u>

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

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component unit that is required to be included in the basic financial statements:

Redevelopment Authority

The Village Redevelopment Authority was created by the Village Board on July 21, 2004. The Redevelopment Authority currently serves the Village by issuing redevelopment revenue bonds with the debt proceeds being used to finance various tax incremental district projects. The bonds are scheduled to be repaid from tax increments collected on future tax rolls. Because the financial transactions are intermingled with the Village's tax incremental district transactions, the Redevelopment Authority is blended into the Village's financial statements. No new redevelopment revenue bonds were issued in 2019.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. 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

This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Park Fund

This fund accounts for resources accumulated and payments made for development of Village parks. The significant revenues for this fund are intergovernmental revenues, park dedication fees, and donations.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Tax Incremental District No. 1 and 2 Capital Projects Fund

These funds are used to account for the project plan costs of both the Village's Tax Incremental District No. 1 and 2.

The Village reports the following major enterprise funds:

Water Utility Fund

This fund accounts for the operations of the Village's water utility.

Sewer Utility Fund

This fund accounts for the operations of the Village's sewer utility.

The Village also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and specials collected on behalf of other governments. These amounts were recorded in the general fund in prior years. Due to the implementation of GASB 84, Fiduciary Activities, they are now recorded in a custodial fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Village properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes and special charges not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Village.

In addition to its levy, the Village also levies and collects taxes for the School District of Mosinee, School district of D.C. Everest, Marathon County, North Central Technical College and the State of Wisconsin.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. Governmental funds accounts receivable of \$80,170 have been shown net of an allowance for uncollectible accounts of \$10,200.

4. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements or internal Village requirements.

5. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2019 tax roll are recognized as revenue in 2020.)

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as “advances to other funds” and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and expensed in the periods benefited.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	10 - 20	10 - 20
Parks	7 - 20	7 - 20
Buildings and improvements	25 - 100	25 - 100
Machinery and equipment	3 - 10	3 - 10
Infrastructure	15 - 50	20 - 100

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

10. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The Village reports unavailable revenues for special assessments and fines receivable. These inflows are recognized as revenues in the government-wide financial statements.

12. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

13. Pensions

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

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board has not authorized any Village official or committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-wide and Proprietary Fund Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the Village's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, Village management submits to the Village Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Village Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all the general fund. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the Village. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Village Board.
5. Encumbrance accounting is not used by the Village to record commitments related to unperformed contracts for goods or services.

The Village did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2019.

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2019 as follows:

Funds	Excess Expenditures
General	
General Government	
Administrator	\$ 281
Assessor	660
Public Works	
Solid waste/recycle collection	15,017
Debt Service	
Principal retirement	21,837
Interest and fiscal charges	5,749
Capital outlay	
Road equipment	1,611
Road construction	4,791
Police	237

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

C. DEFICIT FUND EQUITY

The following fund had deficit fund balance as of December 31, 2019:

Fund	Deficit Fund Balance
Park	\$ 837,439

The Village anticipates funding the above deficit from future revenues of the fund.

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2019 budget was 2.61%. The actual limit for the Village for the 2020 budget was 4.34%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The Village maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Village's cash and investments totaled \$13,932,642 on December 31, 2019 as summarized below:

Petty cash and cash on hand	\$ 161
Deposits with financial institutions	13,526,166
Investments	
Wisconsin local government investment pool	404,196
Repurchase agreement	2,119
	<u>\$ 13,932,642</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 6,303,582
Restricted cash and investments	3,275,326
Custodial Fund Statement of Net Position	
Cash and investments	4,353,734
	<u>\$ 13,932,642</u>

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village currently has no investments that are subject to fair value measurement.

Deposits and investments of the Village are subject to various risks. Presented below is a discussion of the Village's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2019, \$786,226 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. No amounts were collateralized

On December 31, 2019, the Village held repurchase agreement investments of \$2,119 of which the underlying securities are held by the investment's counterparty, not in the name of the Village.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Wisconsin local government investment pool	\$ 404,196	\$ -	\$ -	\$ -	\$ 404,196

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Concentration of Credit Risk

At December 31, 2019, the Village had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Village investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Village's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Village's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Repurchase agreement	\$ 2,119	\$ 2,119	\$ -	\$ -	\$ -
Wisconsin local government investment pool	404,196	404,196	-	-	-
Totals	\$ 406,315	\$ 406,315	\$ -	\$ -	\$ -

B. RESTRICTED ASSETS

Restricted cash and investments of the governmental activities on December 31, 2019 totaled \$2,721,338. \$170,070 is being held as debt service reserve funds for the lease revenue bonds and \$2,551,268 for project plan expenditures and debt service payments of the tax incremental districts.

Restricted cash and investments of the business-type activities totaled and consisted of \$553,988 held as equipment replacement funds for the water and sewer utilities.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

C. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 2,242,486	\$ 11,178	\$ 67,906	\$ 2,185,758
Construction in progress	687,580	89,872	687,580	89,872
Total capital assets, nondepreciable	<u>2,930,066</u>	<u>101,050</u>	<u>755,486</u>	<u>2,275,630</u>
Capital assets, depreciable:				
Land improvements	1,110,229	-	-	1,110,229
Parks	661,935	1,157,486	-	1,819,421
Buildings and improvements	3,959,331	48,314	-	4,007,645
Machinery and equipment	3,393,053	497,793	312,000	3,578,846
Infrastructure	16,025,418	623,149	-	16,648,567
Subtotals	<u>25,149,966</u>	<u>2,326,742</u>	<u>312,000</u>	<u>27,164,708</u>
Less accumulated depreciation for:				
Land improvements	123,441	22,781	-	146,222
Parks	497,663	21,382	-	519,045
Buildings and improvements	1,508,631	99,626	-	1,608,257
Machinery and equipment	2,250,187	164,688	312,000	2,102,875
Infrastructure	4,945,429	449,326	-	5,394,755
Subtotals	<u>9,325,351</u>	<u>757,803</u>	<u>312,000</u>	<u>9,771,154</u>
Total capital assets, depreciable, net	<u>15,824,615</u>	<u>1,568,939</u>	<u>-</u>	<u>17,393,554</u>
Governmental activities capital assets, net	<u>\$ 18,754,681</u>	<u>\$ 1,669,989</u>	<u>\$ 755,486</u>	19,669,184
Less: Capital related debt				9,412,198
Less: Debt premium				24,866
Less: Capital related accounts payable				230,110
Net investment in capital assets				<u>\$ 10,002,010</u>
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 117,209	\$ -	\$ -	\$ 117,209
Capital assets, depreciable:				
Buildings and improvements	320,754	-	-	320,754
Machinery and equipment	2,517,564	108,975	27,965	2,598,574
Infrastructure	22,595,455	9,450	6,250	22,598,655
Subtotals	<u>25,433,773</u>	<u>118,425</u>	<u>34,215</u>	<u>25,517,983</u>
Less accumulated depreciation for:				
Depreciable assets	6,296,471	425,860	34,215	6,688,116
Total capital assets, depreciable, net	<u>19,137,302</u>	<u>(307,435)</u>	<u>-</u>	<u>18,829,867</u>
Business-type activities capital assets, net	<u>\$ 19,254,511</u>	<u>\$ (307,435)</u>	<u>\$ -</u>	<u>\$ 18,947,076</u>

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Depreciation expense was charged to functions of the Village as follows:

Governmental activities	
General government	\$ 82,908
Public safety	79,047
Public works	569,100
Culture and recreation	24,377
Conservation and development	2,371
Total depreciation expense - governmental activities	<u>\$ 757,803</u>
Business-type activities	
Water utility	\$ 208,169
Sewer utility	217,691
Total depreciation expense - business-type activities	<u>\$ 425,860</u>

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the Village, as reported in the fund financial statements, as of December 31, 2019 are detailed below:

	Interfund Receivables	Interfund Payables
Advances to other funds		
General Fund	\$ 34,750	\$ -
Special Revenue Fund		
Park	-	663,959
TID #2	629,209	-
Totals	<u>\$ 663,959</u>	<u>\$ 663,959</u>

The Park Fund will repay the General Fund when the park dedication fees are available. The Park Fund will repay TID #2 when grant reimbursement requests have been submitted and payments received.

Interfund transfers for the year ended December 31, 2019 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 164,055	\$ 221,348
Municipal Court	28,348	-
Capital Project	143,000	-
Equipment Replacement	50,000	-
Water Utility	-	159,882
Sewer Utility	-	4,173
	<u>\$ 385,403</u>	<u>\$ 385,403</u>

Interfund transfers were made for the following purposes:

Tax equivalent payment made by water utility to general fund	\$ 159,882
Tax equivalent payment made by sewer utility to general fund	4,173
To fund capital projects as budgeted for 2019	193,000
To cover municipal court expenditures not covered by fines	28,348
	<u>\$ 385,403</u>

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Village for the year ended December 31, 2019:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 4,895,000	\$ -	\$ 300,000	\$ 4,595,000	\$ 250,000
Notes	10,810,000	-	725,000	10,085,000	975,000
Total general obligation debt	15,705,000	-	1,025,000	14,680,000	1,225,000
Bond anticipation notes	1,450,000	1,490,000	1,450,000	1,490,000	-
Redevelopment revenue bonds	2,375,000	-	110,000	2,265,000	110,000
Debt premium	50,191	8,478	12,842	45,827	-
Capital leases	194,875	-	21,837	173,038	22,481
Compensated absences	151,524	-	764	150,760	19,273
Governmental activities					
Long-term obligations	<u>\$19,926,590</u>	<u>\$ 1,498,478</u>	<u>\$ 2,620,443</u>	<u>\$18,804,625</u>	<u>\$ 1,376,754</u>

Total interest paid during the year on long-term debt totaled \$555,175.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
General obligation bonds	3/15/09	6/1/28	3.00 - 5.00%	\$ 5,100,000	\$ 3,350,000
General obligation notes	7/17/12	6/1/22	2.70%	3,470,000	3,470,000
General obligation bonds	9/27/12	10/1/22	1.85%	1,245,000	1,245,000
General obligation notes	11/12/13	6/1/22	2.00 - 3.25%	3,900,000	2,850,000
General obligation notes	11/12/13	12/1/21	2.00 - 2.15%	2,380,000	1,480,000
General obligation notes	3/1/16	3/1/22	2.00%	2,300,000	995,000
General obligation notes	12/17/18	3/1/28	3.00%	1,290,000	1,290,000
Total Outstanding General Obligation Debt					<u>\$14,680,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$14,680,000 on December 31, 2019 are detailed below:

Year Ended	Governmental Activities		
	Principal	Interest	Total
December 31,			
2020	\$ 1,225,000	\$ 445,111	\$ 1,670,111
2021	1,105,000	413,924	1,518,924
2022	8,785,000	283,528	9,068,528
2023	605,000	141,150	746,150
2024	550,000	118,800	668,800
2025 - 2028	2,410,000	218,000	2,628,000
	<u>\$ 14,680,000</u>	<u>\$ 1,620,513</u>	<u>\$ 16,300,513</u>

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2019 was \$18,114,471 as follows:

Equalized valuation of the Village		\$ 653,682,400
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>32,684,120</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 14,680,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>110,351</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>14,569,649</u>
Legal margin for new debt		<u><u>\$ 18,114,471</u></u>

Bond Anticipation Notes

Bond anticipation notes outstanding on December 31, 2019 was comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Bond anticipation notes	3/12/19	4/1/21	2.50%	\$ 1,490,000	<u><u>\$ 1,490,000</u></u>

Annual principal and interest maturities of the outstanding anticipation note debt of \$1,490,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ -	\$ 37,250	\$ 37,250
2021	1,490,000	18,625	1,508,625
	<u>\$ 1,490,000</u>	<u>\$ 55,875</u>	<u>\$ 1,545,875</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2019 totaled \$2,265,000 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
Redevelopment lease revenue bonds	3/1/16	4/1/36	0.006 - 3.20%	\$ 2,595,000	<u><u>\$ 2,265,000</u></u>

The Redevelopment lease revenue bonds are obligations of the Redevelopment Authority of the Village of Kronenwetter and are payable from the income and revenues of the Authority derived from a lease agreement with the Village.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Annual principal and interest maturities of the outstanding revenue bonds of \$2,265,000 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 110,000	\$ 55,915	\$ 165,915
2021	115,000	54,479	169,479
2022	115,000	52,811	167,811
2023	115,000	50,914	165,914
2024	120,000	48,708	168,708
2025 - 2029	635,000	201,414	836,414
2030 - 2034	730,000	108,160	838,160
2035 - 2036	325,000	10,439	335,439
	<u>\$ 2,265,000</u>	<u>\$ 582,840</u>	<u>\$ 2,847,840</u>

Capital Lease

The Village is obligated under various lease accounted for as a capital lease that was used to finance the acquisition of a capital assets. The cost of the capital asset under the capital lease is \$264,000 and the related accumulated depreciation is \$83,600 as of December 31, 2019. The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2019:

Year Ending	Governmental Activities
2020	\$ 27,586
2021	155,000
Subtotal	182,586
Less: Amount representing interest	9,548
Present Value of Future Minimum Lease Payments	<u>\$ 173,038</u>

F. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (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>.

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.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 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.

2. 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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2	4
2018	2.4	17

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was 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 ending December 31, 2019, the WRS recognized \$113,996 in contributions from the Village.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2019, the Village reported a liability of \$366,780 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 0.01030953%, which was an increase of 0.00041078% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$248,722.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,665	\$ 504,955
Net differences between projected and actual earnings on pension plan investments	535,658	-
Changes in assumptions	61,825	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,355	2,505
Employer contributions subsequent to the measurement date	113,996	-
Total	\$ 998,499	\$ 507,460

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

\$113,996 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2020	\$ 137,068
2021	34,203
2022	59,396
2023	146,376
Total	<u>\$ 377,043</u>

5. Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2017
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 and the post-retirement discount rate.*

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

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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:

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
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%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

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

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village's proportionate share of the net pension liability (asset)	\$ 1,457,625	\$ 366,780	\$ (444,346)

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>.

6. Payables to the Pension Plan

At December 31, 2019, the Village reported a payable of \$19,925 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

G. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2019, nonspendable fund balance was as follows:

	General	TID #1	TID #2	Nonmajor
Nonspendable				
Inventories and prepaid items	\$ 30,061	\$ 59	\$ 103	\$ 968
Advance to Park Fund	34,750	-	-	-
Total Nonspendable Fund Balance	<u>\$ 64,811</u>	<u>\$ 59</u>	<u>\$ 103</u>	<u>\$ 968</u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

Debt Service Fund

Restricted for	
Payment of long-term debt obligations	<u>\$ 110,351</u>

Capital Projects Funds

Restricted for	
TID #1	494,797
TID #2	2,169,817
TID #3	46,815
TID #4	87,914
Total Capital Projects Funds Restricted Fund Balance	<u>2,799,343</u>

Total Restricted Fund Balance	<u>\$ 2,909,694</u>
-------------------------------	---------------------

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2019

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by Village Board action. At December 31, 2019, General Fund balance was committed as follows:

Special Revenue Funds

Committed for

Fire department donations expenditures	\$ 25,080
Fire dues expenditures	29,679
Total Special Revenue Funds Committed Fund Balance	<u>54,759</u>

Capital Projects Funds

Committed for

Capital projects	117,617
Equipment replacement	512,226
Total Capital Project Funds Committed Fund Balance	<u>629,843</u>

Total Committed Fund Balance	<u>\$ 684,602</u>
------------------------------	-------------------

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2019, fund balance was assigned as follows:

General Fund

Assigned for future TID #1 shortfall	\$ 600,000
Assigned for Stormwater Management Program	737,000
Assigned for sale of Fire Department equipment (brush truck)	25,000
Total	<u>\$ 1,362,000</u>

Minimum General Fund Balance Policy

The Village has also adopted a minimum fund balance policy of 15% of subsequent year budgeted expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2019 General Fund Expenditures	\$ 3,855,456
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	<u>\$ 578,318</u>

The Village's unassigned General Fund balance of \$1,310,943 is above the minimum fund balance amount.

Net Position

The Village reports restricted net position at December 31, 2019 as follows:

Governmental Activities

Restricted for

Debt service	\$ 194,422
Capital projects - TIDs	450,044
Total Governmental Activities Restricted Net Position	<u>\$ 644,466</u>

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICTS

The Village has established separate capital projects funds for Tax Incremental District (TID) #1, #2, #3, and #4 which were created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village’s Districts have reached the end of their expenditure periods except as noted below.

Since creation of the above Districts, the Village has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the Village from any future excess tax increment revenues. As of December 31, 2019, the Village can recover \$9,515,475 from future excess tax increment revenues of the following:

	Recoverable Costs
TID # 1	\$ 7,294,983
TID # 2	548,080
TID # 3	(46,824)
TID # 4	1,719,236
	<u>\$ 9,515,475</u>

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the Village prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID # 1	2044
TID # 2	2024
TID # 3	2024
TID # 4	2034

2019 Wisconsin Act 179 passed by the Wisconsin Senate and Assembly in March 2020 extended the original expenditure period and life of TID #2 to 2024 and 2029 respectively.

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Village completes an annual review of its insurance coverage to ensure adequate coverage.

C. CONTINGENCIES

From time to time, the Village is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel 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.

Village of Kronenwetter, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

E. SUBSEQUENT EVENT

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, revenue short-falls in user fees and taxes, increased delinquent accounts receivable and shortages of personnel. Management believes the Village is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Kronenwetter, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.00964724%	\$ (236,963)	\$ 1,143,928	20.71%	102.74%
12/31/15	0.00959602%	155,933	1,161,097	13.43%	98.20%
12/31/16	0.00962218%	79,310	1,217,816	6.51%	99.12%
12/31/17	0.00989875%	(293,905)	1,253,433	23.45%	102.93%
12/31/18	0.01030953%	366,780	1,335,317	27.47%	96.45%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (plan year)	Contributions as a Percentage of Covered-Employee Payroll
12/31/15	\$ 91,396	\$ 91,396	\$ -	\$ 1,161,097	7.87%
12/31/16	94,429	94,429	-	1,217,816	7.75%
12/31/17	104,207	104,207	-	1,253,433	8.31%
12/31/18	110,025	110,025	-	1,335,317	8.24%
12/31/19	113,996	113,996	-	1,379,694	8.26%

See notes to required supplementary information.

Village of Kronenwetter, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

A. WISCONSIN RETIREMENT SYSTEM

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.

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.

SUPPLEMENTARY INFORMATION

Village of Kronenwetter, Wisconsin

**GENERAL FUND
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2018 Actual
	Original	Final			
Taxes					
General property	\$ 1,285,686	\$ 1,285,686	\$ 1,286,303	\$ 617	\$ 845,500
Mobile home taxes	3,875	3,875	3,638	(237)	3,940
Forest crop	5,575	26,309	26,253	(56)	23,809
Other	14,994	-	-	-	-
Interest and taxes	100	100	-	(100)	13
Total taxes	1,310,230	1,315,970	1,316,194	224	873,262
Intergovernmental					
State					
State shared taxes	1,636,149	1,639,143	1,640,996	1,853	1,632,235
Tax exempt computer aid	350	350	404	54	395
Transportation	308,995	308,995	308,853	(142)	339,743
Forest crop and severance tax	12,000	-	2,136	2,136	18,624
Recycling grant	28,000	28,000	28,185	185	28,208
Environmental impact	34,000	34,000	34,627	627	34,627
Other intergovernmental	7,200	7,200	7,809	609	7,918
County					
Bridge aid	-	28,231	28,231	-	-
Timber sales	-	10,200	10,212	12	4,927
Total intergovernmental	2,026,694	2,056,119	2,061,453	5,334	2,066,677
Licenses and permits					
Licenses					
Occupational license	3,800	3,800	4,215	415	3,695
Dog license	1,450	1,450	1,731	281	1,694
Cable franchise fees	-	78,000	80,359	2,359	-
Permits					
Building permits	115,000	132,000	139,478	7,478	82,972
Excavating/mining permits	8,500	20,800	27,800	7,000	20,896
Plat reviews	3,000	3,000	5,085	2,085	2,645
Other					
Other licenses/permits	1,400	1,400	2,117	717	1,283
Other regulatory fees	2,900	2,900	2,350	(550)	2,750
Total licenses and permits	136,050	243,350	263,135	19,785	115,935
Fines and forfeits					
Court fines and penalties	24,000	24,000	21,594	(2,406)	20,341
Public charges for services					
Public record/special assessment searches	5,500	5,500	9,725	4,225	6,468
Fire department	1,100	1,100	-	(1,100)	88
Public safety	1,000	1,000	90	(910)	3,377
Garbage/refuse/recycling	318,917	318,917	323,730	4,813	313,719
Other	5,000	5,000	10,067	5,067	5,853
Total public charges for services	331,517	331,517	343,612	12,095	329,505
Intergovernmental charges for services					
Fire protection	5,100	5,100	5,100	-	5,100
Miscellaneous					
Interest	8,000	60,000	70,662	10,662	30,775
Rent of Village property	2,500	2,500	3,630	1,130	4,020
Sale of materials and supplies	600	600	1,522	922	1,395
Insurance claims and refunds	-	25,833	31,334	5,501	10,394
Private donations	1,200	1,200	3,204	2,004	1,450
Miscellaneous	10,000	10,000	15,061	5,061	7,478
Total miscellaneous	22,300	100,133	125,413	25,280	55,512
Total revenues	\$ 3,855,891	\$ 4,076,189	\$ 4,136,501	\$ 60,312	\$ 3,466,332

Village of Kronenwetter, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget		Actual	Variance	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
General Government					
Village board	\$ 40,427	\$ 40,427	\$ 32,417	\$ 8,010	\$ 32,349
Legal	19,279	19,279	6,964	12,315	5,836
Municipal court	10,240	10,240	5,857	4,383	8,009
Office	56,895	56,895	45,049	11,846	48,279
Administrator	90,284	90,284	90,565	(281)	86,618
Deputy clerk-treasurer	12,259	12,259	11,743	516	11,270
Community development/zoning	63,615	63,615	54,758	8,857	57,299
Clerk	63,863	63,863	63,481	382	61,996
Secretary	103,471	103,471	57,562	45,909	100,390
Elections	17,980	17,980	6,318	11,662	13,074
Treasurer	58,144	58,144	55,862	2,282	55,877
Assessor	13,950	13,950	14,610	(660)	14,697
Municipal building	104,777	104,777	99,753	5,024	89,422
Other general government	102,198	102,198	87,481	14,717	53,603
Total general government	<u>757,382</u>	<u>757,382</u>	<u>632,420</u>	<u>124,962</u>	<u>638,719</u>
Public Safety					
Police and fire commissioner	6,175	6,175	5,427	748	2,997
Police department	977,918	977,918	887,056	90,862	795,726
Police clerk	43,375	43,375	41,891	1,484	46,958
Crossing guards	5,068	5,068	4,662	406	4,629
Fire department	148,474	148,474	133,329	15,145	126,098
First responders	17,168	17,168	13,294	3,874	12,274
Ambulance	56,977	56,977	53,293	3,684	50,812
Building inspector	49,910	51,790	41,695	10,095	51,001
Total public safety	<u>1,305,065</u>	<u>1,306,945</u>	<u>1,180,647</u>	<u>126,298</u>	<u>1,090,495</u>
Public Works					
Engineering	8,000	4,000	-	4,000	-
Public works director	35,115	35,115	33,354	1,761	30,910
Road and street maintenance	893,359	868,359	788,886	79,473	828,353
Shop and garage	19,375	19,375	15,661	3,714	15,099
Street lighting	48,000	48,000	47,076	924	48,090
Storm sewers	202,077	298,077	292,073	6,004	192,575
Solid waste/recycle collection	309,637	309,637	324,654	(15,017)	302,449
Total public works	<u>1,515,563</u>	<u>1,582,563</u>	<u>1,501,704</u>	<u>80,859</u>	<u>1,417,476</u>
Health and Human Services					
Animal and insect control	2,755	2,755	2,755	-	2,215
Culture and Recreation					
Parks	133,456	133,456	95,560	37,896	86,595
Conservation and Development					
Community development/zoning	45,440	50,705	49,862	843	45,872
Debt Service					
Principal retirement	-	-	21,837	(21,837)	21,211
Interest and fiscal charges	-	-	5,749	(5,749)	6,375
Total debt service	<u>-</u>	<u>-</u>	<u>27,586</u>	<u>(27,586)</u>	<u>27,586</u>
Capital Outlay					
Road equipment	-	-	1,611	(1,611)	-
Road construction	16,000	16,000	20,791	(4,791)	79,399
Police	4,650	4,650	4,887	(237)	6,897
Fire department	1,000	1,000	-	1,000	-
Total capital outlay	<u>21,650</u>	<u>21,650</u>	<u>27,289</u>	<u>(5,639)</u>	<u>86,296</u>
Total expenditures	<u>\$ 3,781,311</u>	<u>\$ 3,855,456</u>	<u>\$ 3,517,823</u>	<u>\$ 337,633</u>	<u>\$ 3,395,254</u>

Village of Kronenwetter, Wisconsin

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2019

	Special Revenue		
	Fire Dept. Donations	Fire Dues	Municipal Court
ASSETS			
Cash and investments	\$ 25,279	\$ 30,135	\$ 1,403
Restricted cash and investments	-	-	-
Receivables			
Taxes and special charges	-	-	-
Accounts, net	-	-	44,241
Inventories and prepaid items	-	-	950
Total assets	\$ 25,279	\$ 30,135	\$ 46,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 199	\$ -	\$ 651
Accrued and other current liabilities	-	456	1,702
Total liabilities	199	456	2,353
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fines receivable	-	-	44,241
Total deferred inflows of resources	-	-	44,241
Fund balances			
Nonspendable	-	-	950
Restricted	-	-	-
Committed	25,080	29,679	-
Unassigned	-	-	(950)
Total fund balances	25,080	29,679	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,279	\$ 30,135	\$ 46,594

Capital Projects

TID #3	TID #4	Equipment Replacement	Capital Projects	Total
\$ -	\$ -	\$ 559,122	\$ 192,306	\$ 808,245
52,726	130,261	-	-	182,987
7,845	53,534	53,104	66,572	181,055
-	-	-	-	44,241
9	9	-	-	968
<u>\$ 60,580</u>	<u>\$ 183,804</u>	<u>\$ 612,226</u>	<u>\$ 258,878</u>	<u>\$ 1,217,496</u>
\$ 62	\$ 1,977	\$ -	\$ 15,900	\$ 18,789
57	57	-	-	2,272
119	2,034	-	15,900	21,061
13,637	93,847	100,000	125,361	332,845
-	-	-	-	44,241
13,637	93,847	100,000	125,361	377,086
9	9	-	-	968
46,815	87,914	-	-	134,729
-	-	512,226	117,617	684,602
-	-	-	-	(950)
46,824	87,923	512,226	117,617	819,349
<u>\$ 60,580</u>	<u>\$ 183,804</u>	<u>\$ 612,226</u>	<u>\$ 258,878</u>	<u>\$ 1,217,496</u>

Village of Kronenwetter, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue		
	Fire Dept. Donations	Fire Dues	Municipal Court
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	24,625	-
Fines and forfeits	-	-	12,621
Intergovernmental charges for services	-	1,113	-
Miscellaneous	41,852	594	-
Total revenues	41,852	26,332	12,621
EXPENDITURES			
Current			
General government	-	-	40,969
Public safety	-	20,654	-
Culture and recreation	43,410	-	-
Conservation and development	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	43,410	20,654	40,969
Excess of revenues over (under) expenditures	(1,558)	5,678	(28,348)
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	28,348
Total other financing sources	-	-	28,348
Net change in fund balances	(1,558)	5,678	-
Fund balances - January 1	26,638	24,001	-
Fund balances - December 31	<u>\$ 25,080</u>	<u>\$ 29,679</u>	<u>\$ -</u>

Capital Projects				
TID #3	TID #4	Equipment Replacement	Capital Projects	Total
\$ 12,186	\$ 96,994	\$ -	\$ -	\$ 109,180
86	1,257	-	-	25,968
-	-	-	-	12,621
-	-	-	-	1,113
856	48,270	6,386	4,658	102,616
13,128	146,521	6,386	4,658	251,498
-	-	-	-	40,969
-	-	-	-	20,654
-	-	-	-	43,410
13,697	15,700	-	-	29,397
-	50,000	-	-	50,000
-	45,739	-	-	45,739
21	21	37,913	560,826	598,781
13,718	111,460	37,913	560,826	828,950
(590)	35,061	(31,527)	(556,168)	(577,452)
-	-	6,027	-	6,027
-	-	50,000	143,000	221,348
-	-	56,027	143,000	227,375
(590)	35,061	24,500	(413,168)	(350,077)
47,414	52,862	487,726	530,785	1,169,426
<u>\$ 46,824</u>	<u>\$ 87,923</u>	<u>\$ 512,226</u>	<u>\$ 117,617</u>	<u>\$ 819,349</u>

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Village Board
Village of Kronenwetter, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Kronenwetter, Wisconsin (the "Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's financial statements, and have issued our report thereon dated May 6, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001, 2019-002, and 2019-003 that we consider to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

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

VILLAGE OF KRONENWETTER, WISCONSIN'S RESPONSE TO FINDINGS

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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



CliftonLarsonAllen LLP

Wausau, Wisconsin
May 6, 2020

Village of Kronenwetter, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2019-001	Segregation of Duties Repeat of Finding 2018-001
Type of Finding:	Significant deficiency in internal control over financial reporting
Condition:	The Village has a limited number of employees to essentially complete all financial and recordkeeping duties of the Village. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.
Context:	While performing audit procedures, it was noted that the Village does not have proper segregation of duties at the Village.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of the Village's operations. In addition, the Village has not completed a formal risk assessment and review of internal controls to identify additional mitigating and compensating controls which could be implemented to reduce the risk of errors or intentional fraud.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Village Board continue to monitor the transactions and the financial records of the Village. We recommend the Village perform a risk assessment of its operations and current procedures to identify and implement mitigating controls to reduce the risk of errors and intentional fraud.
Management Response:	We agree with the auditors' comments, and will continue to identify and implement mitigating controls in order to reduce the risk of errors and intentional fraud.

Village of Kronenwetter, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

FINDING NO.	CONTROL DEFICIENCIES
2019-002	Preparation of Annual Financial Report Repeat of Finding 2018-002
Type of Finding:	Significant deficiency in internal control over financial reporting
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Report Form C and the Public Service Commission Report.
Context:	While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.
Criteria:	The preparation and review of the annual financial report, Municipal Financial Report, and Public Service Commission Report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required state financial reports.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	Without our involvement, the Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report, Municipal Financial Report and Public Service Commission Report.
Management Response:	We agree with the auditors' comments, and will continue to review the annual financial report.

Village of Kronenwetter, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2019

FINDING NO.	CONTROL DEFICIENCIES
2019-003	Adjustments to the Village's Financial Records Repeat of Finding 2018-003
Type of Finding:	Significant deficiency in internal control over financial reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the Village's financial statements.
Context:	While performing audit procedures, it was noted that the Village does not have sufficient controls in place related to year end closing procedures.
Criteria:	Significant adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management Response:	We agree with the auditors' comments, and continue to work to improve financial record keeping processes.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2019.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP



APPENDIX B

Forms of Legal Opinions

(This page has been left blank intentionally.)

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

February 3, 2021

Re: Village of Kronenwetter, Wisconsin ("Issuer")
\$5,485,000 General Obligation Refunding Bonds, Series 2021A,
dated February 3, 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 April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$535,000	___%
2023	715,000	___
2024	755,000	___
2025	765,000	___
2026	780,000	___
2027	760,000	___
2028	545,000	___
2029	100,000	___
2030	105,000	___
2031	105,000	___
2032	105,000	___
2033	105,000	___
2034	110,000	___

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

The Bonds are not subject to optional redemption.

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

February 3, 2021

Re: Village of Kronenwetter, Wisconsin ("Issuer")
\$1,980,000 Taxable General Obligation Refunding Bonds, Series 2021B,
dated February 3, 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 April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$315,000	___%
2023	145,000	___
2024	145,000	___
2025	150,000	___
2026	150,000	___
2027	155,000	___
2028	355,000	___
2029	360,000	___
2030	205,000	___

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

The Bonds are not subject to optional redemption.

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 included for federal income tax purposes in the gross income of the owners of the Bonds.

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

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

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

QUARLES & BRADY LLP

APPENDIX C

Forms of Continuing Disclosure Certificates

(This page has been left blank intentionally.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Kronenwetter, Marathon County, Wisconsin (the "Issuer") in connection with the issuance of \$5,485,000 General Obligation Refunding Bonds, Series 2021A, dated February 3, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on January 12, 2021 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data 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 January 12, 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 Kronenwetter, Marathon County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at Municipal Center, 1582 Kronenwetter Drive, Kronenwetter, Wisconsin 54455, phone (715) 693-4200, fax (715) 693-4202.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

(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 tables presented in 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. INDEBTEDNESS
2. FINANCIAL INFORMATION
3. PROPERTY VALUATIONS AND TAXES - Assessed and Equalized Values

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 3rd day of February, 2021.

(SEAL)

Chris Voll
President

Cindra Falkowski
Village Clerk

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Kronenwetter, Marathon County, Wisconsin (the "Issuer") in connection with the issuance of \$1,980,000 Taxable General Obligation Refunding Bonds, Series 2021B, dated February 3, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on January 12, 2021 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data 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 January 12, 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 Kronenwetter, Marathon County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at Municipal Center, 1582 Kronenwetter Drive, Kronenwetter, Wisconsin 54455, phone (715) 693-4200, fax (715) 693-4202.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

(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 tables presented in 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. INDEBTEDNESS
2. FINANCIAL INFORMATION
3. PROPERTY VALUATIONS AND TAXES - Assessed and Equalized Values

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 3rd day of February, 2021.

(SEAL)

Chris Voll
President

Cindra Falkowski
Village Clerk

APPENDIX D

Official Notices of Sales

(This page has been left blank intentionally.)

OFFICIAL NOTICE OF SALE

\$5,485,000*
Village of Kronenwetter
Marathon County, Wisconsin
General Obligation Refunding Bonds, Series 2021A
Dated Date of Delivery

Date, Time and Place. SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Municipal Advisor acting on behalf of the Village of Kronenwetter, Wisconsin (the “Village”), for all but not part of the Village’s \$5,485,000* General Obligation Refunding Bonds, Series 2021A, dated the Date of Delivery (the “2021A Bonds”), until 10:00 a.m. (Central Time) on:

January 12, 2021

at which time sealed bids will be opened, electronic bids received and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, or faxed to (414) 771-1041, and plainly marked “Bid for Village of Kronenwetter General Obligation Refunding Bonds, Series 2021A.” Electronic bids must be submitted through Parity®. A meeting of the Village Board will be held on said date for the purpose of taking action on such bids as may be received.

Terms of the Bonds. The 2021A Bonds will be dated the Date of Delivery and will mature April 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Principal*</u>	<u>Year</u>	<u>Principal*</u>
2022	\$ 535,000	2029	\$ 100,000
2023	715,000	2030	105,000
2024	755,000	2031	105,000
2025	765,000	2032	105,000
2026	780,000	2033	105,000
2027	760,000	2034	110,000
2028	545,000		

Interest on the 2021A Bonds will be payable semi-annually on April 1 and October 1, commencing October 1, 2021.

Adjustments To Principal Amounts. The aggregate principal amount of the 2021A Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Village or its designee after the determination of the successful bidder. Such adjustments shall be in the sole

* Preliminary, subject to change.

discretion of the Village provided that the Village or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the refunding in accordance with federal income tax laws and to establish a debt service structure that is acceptable to the Village.

No Term Bond Option. Proposals for the 2021A Bonds may not contain term bonds.

Call Feature. The 2021A Bonds are not subject to optional redemption by the Village.

Registration. The 2021A Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). The Village will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the 2021A Bonds. In the event that the securities depository relationship with DTC for the 2021A Bonds is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully registered certificated 2021A Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of 2021A Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the 2021A Bonds.

Security and Purpose. The 2021A Bonds are general obligations of the Village. The principal of and interest on the 2021A Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the Village. The proceeds of the 2021A Bonds will be used to refund certain obligations of the Village and to pay the costs of issuing the 2021A Bonds.

Not Bank Qualified. The 2021A Bonds will not be designated “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but no interest rate specified for any maturity may be lower than the interest rate specified for any earlier maturity. All 2021A Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. No supplemental interest shall be specified. Each bid shall offer to purchase all of the 2021A Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$5,457,575 (99.5% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of FIFTY-FIVE THOUSAND Dollars (\$55,000) is only required by the successful bidder for the 2021A Bonds. The successful bidder for the 2021A Bonds is required to submit such Good Faith Deposit payable to the order of the Village in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Amount:	\$55,000
Details:	Email PFM for details at hansonk@pfm.com

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the Village the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the Village may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the 201A Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Village the sum of \$55,000 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the 2021A Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the Village until the delivery of the 2021A Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the 2021A Bonds or the good faith deposit will be retained by the Village as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such 2021A Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the Village. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the 2021A Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the 2021A Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The Village will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the 2021A Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The Village assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. All bids received shall be considered at a meeting of the Village Board of Trustees to be held on the bidding date and, unless all bids are rejected, the 2021A Bonds shall be awarded during the Village Board meeting on said date to the best bidder whose proposal shall result in the lowest true interest cost rate to the Village. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal

and interest payments as of the date of the 2021A Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the Village shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the 2021A Bonds to the date of delivery and payment of the purchase price.

Delivery. The 2021A Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the 2021A Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the 2021A Bonds, the successful bidder may, prior to tender of the 2021A Bonds, at its option, be relieved of its obligation under the contract to purchase the 2021A Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the 2021A Bonds is currently anticipated to be on or about February 3, 2021.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the Village's undertaking and such Continuing Disclosure Certificate is a condition of closing.

CUSIP Numbers. The Village will assume no obligation for the assignment of CUSIP numbers on the 2021A Bonds or for the correctness of any numbers printed thereon. The Village will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any 2021A Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the 2021A Bonds. The Village's Municipal Advisor will request CUSIP numbers prior to the sale.

Official Statement. Upon the sale of the 2021A Bonds, the Village will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the Village will provide the successful bidder with up to five (5) copies of the final Official Statement without cost. The successful bidder agrees to supply to the Village all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of 2021A Bonds.

Certification Regarding Official Statement. The Village will deliver, at closing, a certificate, executed by appropriate officers of the Village acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Village and the 2021A Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Establishment of the Issue Price. The successful bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village prior to

Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public Offering Price”), or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Village or Bond Counsel.

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

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

In the event the Village receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Village intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making this bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price as of the sale date, the bidder will be required to comply with the hold-the-offering-price rule described below. The Village will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (“the 10% test”). The winning bidder shall notify the Village on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the Village.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the Village to the successful bidder (“Sale Date”) at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

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

The winning bidder shall promptly advise the Village when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Village acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

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

(A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

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

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the

10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

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

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

(v) “sale date” means the date the Bonds are awarded by the Village to the winning bidder.

Undertaking to Provide Continuing Disclosure. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the Village will covenant to undertake (pursuant to the Award Resolution to be adopted by the Board of the Trustees), to provide annual reports and timely notice of certain events for the benefit of holders of the 2021A Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Village, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the 2021A Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the 2021A Bonds.

Irregularities. The Village Board of Trustees reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the Village's municipal advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, phone (414) 847-5586.

* * * * *

OFFICIAL NOTICE OF SALE

\$1,980,000*
Village of Kronenwetter
Marathon County, Wisconsin
Taxable General Obligation Refunding Bonds, Series 2021B
Dated Date of Delivery

Date, Time and Place. SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Municipal Advisor acting on behalf of the Village of Kronenwetter, Wisconsin (the “Village”), for all but not part of the Village’s \$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B, dated the Date of Delivery (the “2021B Bonds”), until 10:00 a.m. (Central Time) on:

January 12, 2021

at which time sealed bids will be opened, electronic bids received and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson or faxed to (414) 771-1041, and plainly marked “Bid for Village of Kronenwetter Taxable General Obligation Refunding Bonds, Series 2021B.” Electronic bids must be submitted through Parity®. A meeting of the Village Board will be held on said date for the purpose of taking action on such bids as may be received.

Terms of the Bonds. The 2021B Bonds will be dated the Date of Delivery and will mature April 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2022	\$ 315,000
2023	145,000
2024	145,000
2025	150,000
2026	150,000
2027	155,000
2028	355,000
2029	360,000
2030	205,000

Interest on the 2021B Bonds will be payable semi-annually on April 1 and October 1, commencing October 1, 2021.

* Preliminary, subject to change.

Adjustments To Principal Amounts. The aggregate principal amount of the 2021B Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Village or its designee after the determination of the successful bidder. Such adjustments shall be in the sole discretion of the Village provided that the Village or its designee shall only make such adjustments in order to size the 2021B Bonds to provide enough funds to effect the and to establish a debt service structure that is acceptable to the Village.

No Term Bond Option. Proposals for the 2021B Bonds may not contain term bonds.

Call Feature. The 2021B Bonds are not subject to optional redemption by the Village.

Registration. The 2021B Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). The Village will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the 2021B Bonds. In the event that the securities depository relationship with DTC for the 2021B Bonds is terminated and the Village does not appoint a successor depository, the Village will prepare, authenticate and deliver, at its expense, fully registered certificated 2021B Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of 2021B Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the 2021B Bonds.

Security and Purpose. The 2021B Bonds are general obligations of the Village. The principal of and interest on the 2021B Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the Village. The proceeds of the 2021B Bonds will be used to refund certain obligations of the Village and to pay the costs of issuing the 2021B Bonds.

Not Bank Qualified. The 2021B Bonds will not be “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Eighth (1/8) or One-Hundredth (1/100) of One Percent (1%). Any number of rates may be bid, but no interest rate specified for any maturity may be lower than the interest rate specified for any earlier maturity. All 2021B Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. No supplemental interest shall be specified. Each bid shall offer to purchase all of the 2021B Bonds and shall offer a price (payable in federal or other immediately available funds) which is at par (100%), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of TWENTY THOUSAND Dollars (\$20,000) is only required by the successful bidder for the 2021B Bonds. The successful bidder for the 2021B Bonds is required to submit such Good Faith Deposit payable to the order of the Village in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Amount: \$20,000

Details:

Email PFM for details at hansonk@pfm.com

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the Village the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the Village may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the 2021B Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Village the sum of \$20,000 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the 2021B Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the Village until the delivery of the 2021B Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the 2021B Bonds or the good faith deposit will be retained by the Village as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such 2021B Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the Village. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the 2021B Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the 2021B Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The Village will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the 2021B Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The Village assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. All bids received shall be considered at a meeting of the Village Board of Trustees to be held on the bidding date and, unless all bids are rejected, the 2021B Bonds shall be awarded during the Village Board meeting on said date to the best bidder whose proposal shall result in the

lowest true interest cost rate to the Village. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the 2021B Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the Village shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the 2021B Bonds to the date of delivery and payment of the purchase price.

Delivery. The 2021B Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the 2021B Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the 2021B Bonds, the successful bidder may, prior to tender of the 2021B Bonds, at its option, be relieved of its obligation under the contract to purchase the 2021B Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the 2021B Bonds is currently anticipated to be on or about February 3, 2021.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the Village's undertaking and such Continuing Disclosure Certificate is a condition of closing.

CUSIP Numbers. The Village will assume no obligation for the assignment of CUSIP numbers on the 2021B Bonds or for the correctness of any numbers printed thereon. The Village will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any 2021B Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the 2021B Bonds. The Village's Municipal Advisor will request CUSIP numbers prior to the sale.

Official Statement. Upon the sale of the 2021B Bonds, the Village will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the Village will provide the successful bidder with up to five (5) copies of the final Official Statement without cost. The successful bidder agrees to supply to the Village all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of 2021B Bonds.

Certification Regarding Official Statement. The Village will deliver, at closing, a certificate, executed by appropriate officers of the Village acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Village and the 2021B Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the Village will covenant to undertake (pursuant to the Award Resolution to be adopted by the Board of the Trustees), to provide annual reports and timely notice of certain events for the benefit of holders of the 2021B Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Village, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the 2021B Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the 2021B Bonds.

Irregularities. The Village Board of Trustees reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the Village's municipal advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, phone (414) 847-5586.

* * * * *

BID FORM

Village of Kronenwetter, Wisconsin

\$5,485,000*

General Obligation Refunding Bonds, Series 2021A

Village of Kronenwetter, Wisconsin
c/o PFM Financial Advisors LLC (Fax: 414/771-1041)

Sale Date: January 12, 2021

For all or none of the principal amount of \$5,485,000* General Obligation Refunding Bonds, Series 2021A legally issued and as described in the Official Notice of Sale, we will pay the Village \$_____ plus accrued interest on the total principal amount of the 2021A Bonds to date of delivery, provided the 2021A Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2022	\$ 535,000	___%	___%	2029	\$ 100,000	___%	___%
2023	715,000	___%	___%	2030	105,000	___%	___%
2024	755,000	___%	___%	2031	105,000	___%	___%
2025	765,000	___%	___%	2032	105,000	___%	___%
2026	780,000	___%	___%	2033	105,000	___%	___%
2027	760,000	___%	___%	2034	110,000	___%	___%
2028	545,000	___%	___%				

* Preliminary, subject to change.

The Bonds mature on each April 1, as set forth above, and interest on the 2021A Bonds is payable semiannually on each April 1 and October 1, commencing October 1, 2021. The 2021A Bonds are not subject to optional redemption by the Village.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated January 5, 2021. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$55,000 will be wired in federal funds to the Village within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of the Village of Kronenwetter, Wisconsin, this 12th day of January, 2021.

Chris Voll, Village President

Cindra Falkowski, Village Clerk

BID FORM

Village of Kronenwetter, Wisconsin

\$1,980,000*

Taxable General Obligation Refunding Bonds, Series 2021B

Village of Kronenwetter, Wisconsin
c/o PFM Financial Advisors LLC (Fax: 414/771-1041)

Sale Date: January 12, 2021

For all or none of the principal amount of \$1,980,000* Taxable General Obligation Refunding Bonds, Series 2021B legally issued and as described in the Official Notice of Sale, we will pay the Village \$_____ plus accrued interest on the total principal amount of the 2021B Bonds to date of delivery, provided the 2021B Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2022	\$ 315,000	___%	___%	2027	\$ 155,000	___%	___%
2023	145,000	___%	___%	2028	355,000	___%	___%
2024	145,000	___%	___%	2029	360,000	___%	___%
2025	150,000	___%	___%	2030	205,000	___%	___%
2026	150,000	___%	___%				

* Preliminary, subject to change.

The 2021B Bonds mature on each April 1, as set forth above, and interest on the 2021B Bonds is payable semiannually on each April 1 and October 1, commencing October 1, 2021. The 2020B Bonds are not subject to optional redemption by the Village.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated January 5, 2021. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$20,000 will be wired in federal funds to the Village within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of the Village of Kronenwetter, Wisconsin, this 12th day of January, 2021.

Chris Voll, Village President

Cindra Falkowski, Village Clerk