

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 17, 2020

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

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

New Issue

Rating Application Made: Moody's Investors Service, Inc.

VILLAGE OF RIVER HILLS, WISCONSIN (Milwaukee County)

\$3,240,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A

BID OPENING: June 24, 2020, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on June 24, 2020 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$3,240,000* General Obligation Promissory Notes, Series 2020A (the "Notes") are authorized pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of River Hills, Wisconsin (the "Village"), to raise funds for public purposes, including paying the cost of projects and equipment included in the Village's capital improvement budget and refunding certain outstanding general obligations of the Village as more fully described herein. The Notes are general obligations of the Village for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: July 7, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$165,000	2025	\$320,000	2029	\$390,000
2022	255,000	2026	325,000	2030	380,000
2023	310,000	2027	390,000		
2024	315,000	2028	390,000		

MATURITY ADJUSTMENTS: * The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2021 and semiannually thereafter.

OPTIONAL PREPAYMENT: Notes maturing on March 1, 2027 and thereafter are subject to call for prior optional prepayment on March 1, 2026 and any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$3,207,600.

MAXIMUM BID: \$3,434,400.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$64,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be named by the Issuer.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

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

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery of the Notes.

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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VILLAGE OF RIVER HILLS VILLAGE BOARD

		<u>Term Expires</u>
J. Stephen Anderson	Village President	April 2023
R. David Fritz	Village Trustee	April 2022
Kurt Glaisner	Village Trustee	April 2023
Peter Kingwill	Village Trustee	April 2021
Willard Walker	Village Trustee	April 2023
Christopher Noyes	Village Trustee	April 2022
Peggy Russo	Village Trustee	April 2021

ADMINISTRATION

Tammy LaBorde, Village Manager/Clerk/Treasurer
Stephanie Waala, Deputy Clerk/Treasurer

PROFESSIONAL SERVICES

William P. Dineen, Dineen Law Offices, Village Attorney, Milwaukee, Wisconsin

Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of River Hills, Wisconsin (the "Village") and the issuance of its \$3,240,000* General Obligation Promissory Notes, Series 2020A (the "Notes"). **The Village Board adopted a resolution on May 20, 2020 (the "Parameters Resolution"), which authorized the Village Manager or Village President to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 24, 2020, neither the Village Manager or the Village President will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

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

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 7, 2020. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

The Village may select a bank or trust company to act as paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL PREPAYMENT

At the option of the Village, the Notes maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 or any date thereafter, at a price of par plus accrued interest.

Prepayment may be in whole or in part of the Notes subject to prepayment. If prepayment is in part, the selection of the amounts and maturities of the Notes to be prepaid shall be at the discretion of the Village. If only part of the Notes having a common maturity date are called for prepayment, then the Village or Paying Agent, if any, will notify

DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be prepaid and each participant will then select by lot the beneficial ownership interest in such maturity to be prepaid.

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

AUTHORITY; PURPOSE

The Notes are authorized pursuant to Section 67.12(12), Wisconsin Statutes, to raise funds for public purposes, including paying the cost of projects and equipment included in the Village's capital improvement budget and refunding the Village's General Obligation Promissory Note, dated November 23, 2011 (the "2011 Note"), the State Trust Fund Loan, dated June 20, 2017 (the "2017 Loan"), the State Trust Fund Loan, dated June 1, 2018 (the "2018 Loan"), and the State Trust Fund Loan, dated September 3, 2019 (the "2019 Loan"), as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2011 Note	11/23/11	08/01/20	Par	2020	2.5000%	\$15,000
				2021	2.5000%	<u>170,000</u>
Total 2011 Note Being Refunded						<u>\$185,000</u>

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2017 Loan	06/20/17	07/25/20	Par	2021	3.50%	\$48,180
				2022	3.50%	49,866
				2023	3.50%	51,611
				2024	3.50%	53,396
				2025	3.50%	55,287
				2026	3.50%	57,222
				2027	3.50%	<u>59,224</u>
Total 2017 Loan Being Refunded						<u>\$374,786</u>

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2018 Loan	06/01/18	07/25/20	Par	2021	4.00%	\$38,863
				2022	4.00%	40,417
				2023	4.00%	42,034
				2024	4.00%	43,689
				2025	4.00%	45,463
				2026	4.00%	47,281
				2027	4.00%	49,173
				2028	4.00%	<u>51,134</u>
Total 2018 Loan Being Refunded						<u>\$358,053</u>

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
2019 Loan	09/03/19	07/25/20	Par	2021	3.75%	\$51,410
				2022	3.75%	66,458
				2023	3.75%	68,951
				2024	3.75%	71,488
				2025	3.75%	74,217
				2026	3.75%	77,000
				2027	3.75%	79,888
				2028	3.75%	82,866
				2029	3.75%	<u>85,991</u>
				Total 2019 Loan Being Refunded		

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	\$3,240,000
Transfers from Prior Issue Debt Service Funds	17,751
Estimated Interest Earnings	<u>6,503</u>
Total Sources	\$3,264,254

Uses

Estimated Underwriter's Discount	\$32,400
Costs of Issuance	53,050
Deposit to Project Construction Fund	1,753,676
Deposit to Current Refunding Fund	1,423,079
Rounding Amount	<u>2,049</u>
Total Uses	\$3,264,254

*Preliminary, subject to change.

SECURITY

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

RATING

General obligation debt of the Village, with the exception of any outstanding credit enhanced issues, is currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's")

The Village has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that 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 Notes.

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

CONTINUING DISCLOSURE

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

On the date of issue and delivery, the Village shall execute and deliver a Continuing Disclosure Certificate, under which the Village will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the Village are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the Village to comply with any Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Annual Financial Information and Operating Data reports were filed beyond the deadline date for fiscal years ending 2014 through 2016. The audited financial statements for fiscal 2016 was filed beyond the deadline date. The current general fund budget summary documents for fiscal 2015 through 2017 were filed beyond the deadline date. Failure notices have since been filed. Except to the extent that the preceding is deemed to be material, the Village believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2019, have been audited by Reilly, Penner & Benton LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

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

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

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

Ratings; Interest Rates: In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

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

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

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

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

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

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

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

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

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Village and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the Village, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the state in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the "safer at home" order was extended from April 24, 2020 through May 26, 2020. Schools will remain closed for the duration of the 2019-2020 school year and continue distance learning, but certain non-essential businesses were allowed to open operations on a limited basis during the time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. The guidelines start with a set of criteria that should be met before starting phases one to three. The criteria include a downward trajectory of people with flu-like and COVID-19-like symptoms for 14 days; a downward trajectory of documented cases for 14 days or a downward trajectory of positive tests as a percentage of total tests over a 14-day period; and hospitals with the ability to treat all patients without crisis care and a robust testing program for at-risk healthcare workers.

On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines, including similar criteria to be met before phase one can begin. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's "safer at home" order was unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and October 31, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Village's allocation is \$25,329. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the "assessment ratio" or "level of assessment". The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

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

CURRENT PROPERTY VALUATIONS

2019 Equalized Value	\$466,252,700
2019 Assessed Value	\$462,541,000

2019 EQUALIZED VALUE BY CLASSIFICATION

	2019 Equalized Value	Percent of Total Equalized Value
Residential	\$ 459,873,000	98.632%
Commercial	5,530,000	1.186%
Personal Property	849,700	0.182%
Total	<u>\$ 466,252,700</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2015	\$ 478,892,900	\$ 470,755,800	2.27%
2016	473,500,000	495,681,900	5.29%
2017	472,119,200	479,737,000	-3.22%
2018	466,851,100	456,345,800	-4.88%
2019	462,541,000	466,252,700	2.17%

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

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2019 Equalized Value¹	Percent of Village's Total Equalized Value
Milwaukee Country Club	Country Club	\$ 4,972,909	1.07%
University School of Milwaukee	School	4,197,779	0.90%
Individual	Real Estate	3,993,427	0.86%
Individual	Real Estate	3,724,648	0.80%
Individual	Real Estate	3,271,650	0.70%
Individual	Real Estate	3,221,317	0.69%
Individual	Real Estate	3,119,645	0.67%
Individual	Real Estate	3,104,645	0.67%
Individual	Real Estate	3,019,985	0.65%
Individual	Real Estate	2,867,576	0.62%
Total		\$ 35,493,582	7.61%
Village's Total 2019 Equalized Value		\$466,252,700	

Source: The Village.

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

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u>\$ 4,515,474</u>
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*Preliminary, subject to change.

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

**Village of River Hills, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 07/07/2020)**

Dated Amount	Maturity	Promissory Notes Series 2011	State Trust Fund Loan		State Trust Fund Loan		State Trust Fund Loan	
			03/01/2013 \$455,248	03/01/2013 \$575,689	03/01/2013 \$367,480	Principal	Interest	Principal
		02/01/2011 \$3,475,000	03/15	03/15	03/15			
		08/01						
Calendar Year Ending			Principal	Interest	Principal	Interest	Principal	Interest
2020			410,000	6,355	0	0	0	0
2021					54,798	3,055	44,188	2,464
2022					56,305	1,548	45,403	1,249
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030			410,000	6,355	111,103	4,604	89,591	3,712

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Village of River Hills, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 07/07/2020)

Calendar Year Ending	State Trust Fund Loan		State Trust Fund Loan		Promissory Notes Series 2020A		Total P & I*	Principal Outstanding*	% Paid*	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity				
2020							416,355	4,105,474	9.08%	2020
2021							539,831	3,663,421	18.87%	2021
2022							535,734	3,204,619	29.03%	2022
2023							481,631	2,789,337	38.23%	2023
2024							481,317	2,365,792	47.61%	2024
2025							480,601	1,933,835	57.17%	2025
2026							422,854	1,550,000	65.67%	2026
2027							420,088	1,160,000	74.31%	2027
2028							411,898	770,000	82.95%	2028
2029							403,318	380,000	91.58%	2029
2030							384,465	0	100.00%	2030
							4,978,090	4,515,474		

* Preliminary, subject to change.

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 466,252,700
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 23,312,635
Less: General Obligation Debt (includes the Notes)*	<u>(4,515,474)</u>
Unused Debt Limit*	<u><u>\$ 18,797,161</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019 Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Milwaukee County	\$ 67,178,449,700	0.69%	\$564,742,211	\$ 3,896,721
Maple Dale-Indian Hill School District	998,601,617	41.71%	17,256,950	7,197,874
Nicolet Union School District	4,414,205,300	10.56%	4,135,000	436,656
Glendale-River Hills School District	2,080,679,841	2.39%	1,496,416	35,764
Milwaukee Area Technical College District	83,891,800,999	0.56%	77,890,000	436,184
Milwaukee Metro Sewer District	65,909,579,500	0.71%	317,540,000	<u>2,254,534</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 14,257,733</u></u>

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

² Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$466,252,700	Debt/ Per Capita 1,558¹
Total General Obligation Debt (includes the Notes)*	\$ 4,515,474	0.97%	\$ 2,898.25
Village's Share of Total Overlapping Debt	<u>14,257,733</u>	<u>3.06%</u>	<u>9,151.31</u>
Total*	\$ 18,773,207	4.03%	\$ 12,049.56

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The Village may finance approximately an additional \$2,500,000 in the next 12 months, however the final projects, purposes and cost estimates to be included have not yet been determined.

¹ Estimated 2019 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value in Dollars per \$1,000
2015/16	\$3,146,690	100%	\$6.68
2016/17	3,183,808	100%	6.42
2017/18	3,263,403	100%	6.80
2018/19	3,350,159	100%	7.34
2019/20	3,401,156	[----- In Process -----]	7.29

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2020 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. On May 28, 2020 Milwaukee County adopted a resolution authorizing the waiver for delinquent taxes. On June 17, 2020 the Village will consider a similar resolution for Village taxpayers. The Village projects

that if the delinquency waiver is adopted locally it will impact fewer than 15 property tax payers totaling less than \$50,000 in delayed payments. Any further delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, including the Notes.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2015/16	\$13.25	\$5.13	\$6.68	\$1.91	\$26.97
2016/17	12.94	5.10	6.42	1.92	26.38
2017/18	13.10	5.05	6.80	1.73	26.68
2018/19	13.05	4.90	7.34	1.69	26.98
2019/20	13.53	4.79	7.29	1.65	27.26

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

LEVY LIMITS

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

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

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

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

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1930. The Village is governed by a Village Board consisting of the Village President and six Trustees. All Board Members are elected to three-year, staggered terms. The appointed Village Manager and Deputy Clerk/Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 21 full-time, three part-time, and one seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$116,633, \$129,944 and \$137,356, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2018, the total pension liability of the WRS was calculated as \$100.3 billion and the fiduciary net position of the WRS was calculated as \$96.7 billion, resulting in a net pension liability of \$3.6 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS and future contribution requirements as a result (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the Village reported a liability of \$456,223 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was 0.01282% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
River Hills Police Association	December 31, 2021

OTHER POST EMPLOYMENT BENEFITS

The Village provides other post-employment benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2019, the Village's portion of contributions to the LRLIF totaled \$569. For Fiscal Year 2019, the Village reported a liability of \$76,267 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.0296% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

A land owner within the Village is challenging the Village's ruling prohibiting a development and is seeking zoning discrimination as well as \$3,000,000 plus an award of fees and costs. As of the publication of this Preliminary Official Statement the Village is working with its Attorney to have any damages and costs be covered under insurance.

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of June 8, 2020)

Fund	Total Cash and Investments
General Fund	\$ 2,715,294
Sewer Fund	328,024
Debt Service	378,070
Total Funds on Hand	<u><u>\$ 3,421,388</u></u>

SUMMARY GENERAL FUND INFORMATION

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

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2016 Audited	2017 Audited	2018 Audited	2019 Audited	2020 Adopted Budget ¹
Revenues					
Taxes	\$ 2,379,889	\$ 2,401,254	\$ 2,410,846	\$ 2,487,529	\$ 2,540,501
Intergovernmental revenues	393,837	402,837	460,602	470,926	443,259
Licenses and permits	72,386	82,206	95,925	119,188	86,137
Fines and costs	141,415	135,048	136,232	135,350	135,000
Revenues from use of Village money and property	34,371	37,420	26,191	31,342	30,000
Miscellaneous general revenues	392,357	333,673	343,104	371,414	388,755
Total Revenues	\$ 3,414,255	\$ 3,392,438	\$ 3,472,900	\$ 3,615,749	\$ 3,623,652
Expenditures					
Current:					
General government	\$ 510,477	\$ 492,793	\$ 542,250	\$ 604,561	\$ 542,285
Public safety	1,863,974	1,893,851	2,045,313	2,041,903	2,113,101
Public works	551,119	514,261	545,565	620,481	562,478
Culture, recreation and education	53,019	56,668	57,525	60,315	80,139
Health, conservation and sanitation	300,740	306,361	324,622	347,513	324,849
Other	4,721	2,418	8,484	2,753	10,000
Capital outlay	188,707	411,949	248,369	285,970	330,308
Total Expenditures	\$ 3,472,757	\$ 3,678,301	\$ 3,772,128	\$ 3,963,496	\$ 3,963,160
Excess of revenues over (under) expenditures	\$ (58,502)	\$ (285,863)	\$ (299,228)	\$ (347,747)	\$ (339,508)
Other Financing Sources (Uses)					
Insurance recoveries	0	0	8,518	20,966	0
Face value of loans issued	243,293	406,000	309,466	534,980	339,508
Proceeds from sale of capital assets	18,825	9,700	11,529	13,100	0
Transfers in	57,754	0	0	0	0
Transfers out	(123,005)	0	0	(183,088)	0
Total Other Financing Sources (Uses)	\$ 196,867	\$ 415,700	\$ 329,513	\$ 385,958	\$ 339,508
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 138,365	\$ 129,837	\$ 30,285	\$ 38,211	\$ 0
General Fund Balance January 1	795,211	933,576	1,063,413	1,093,698	1,131,909
General Fund Balance December 31	\$ 933,576	\$ 1,063,413	\$ 1,093,698	\$ 1,131,909	\$ 1,131,909
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 642,098	\$ 570,872	\$ 561,986	\$ 39,828	
Restricted	0	0	5,000	2,977	
Committed	0	0	0	0	
Assigned	0	0	0	0	
Unassigned	291,478	492,541	526,712	1,089,104	
Total	\$ 933,576	\$ 1,063,413	\$ 1,093,698	\$ 1,131,909	

¹ The 2020 budget was adopted on November 20, 2019.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 1,597 and a current estimated population of 1,558 comprises an area of 5.5 square miles and is located approximately 12 miles North of Milwaukee.

LARGER EMPLOYERS¹

Larger employers located in and around the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Walmart	Retail	335 ²
University School of Milwaukee	Private elementary and secondary education	240
Maple Dale-Indian Hill School	Elementary and secondary education	85
Milwaukee County Club	Private golf club	60 ³
Congregation Emanu-El B'ne Jeshurun	Reform Jewish synagogue	45
Village of River Hills	Municipal government and services	29
Masood Textile Mills LTD	Textile goods manufacturer	22
River Tennis Club	Private Tennis Club	13
Congregation Sinai	Reform Jewish congregation	10 ⁴
St. Christopher Church	Episcopal church	6

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

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

² Located in the area.

³ 60 full time, up to 120 employees during season.

⁴ Located in the area.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	1	1	0	2	0
Valuation	\$1,200,000	\$505,000	\$0	\$1,340,000	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	0	0
Valuation	\$0	\$0	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	1	0	0	0	0
Valuation	\$12,500,000	\$0	\$0	\$0	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	72	56	65	71	25
Valuation	\$16,344,944	\$2,913,557	\$3,308,572	\$4,724,631	\$2,861,112

Source: The Village.

¹ As of June 8, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	1,631
2010 U.S. Census	1,597
2019 Estimated Population	1,558
Percent of Change 2000 - 2010	-2.08%

Income and Age Statistics

	The Village	Milwaukee County	State of Wisconsin	United States
2018 per capita income	\$107,508	\$28,121	\$32,018	\$32,621
2018 median household income	\$160,417	\$48,742	\$59,209	\$60,293
2018 median family income	\$210,385	\$62,314	\$75,313	\$73,965
2018 median gross rent	\$0	\$864	\$837	\$1,023
2018 median value owner occupied units	\$653,500	\$153,600	\$173,600	\$204,900
2018 median age	51.0 yrs.	34.7 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	335.77%	329.57%
Village % of 2018 median family income	279.35%	284.44%

Housing Statistics

	The Village		Percent of Change
	2010	2018	
All Housing Units	639	643	0.63%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	Average Employment		Average Unemployment	
	Milwaukee County	Milwaukee County	Milwaukee County	State of Wisconsin
2016	453,685	5.0%	4.0%	
2017	456,025	4.0%	3.3%	
2018	451,475	3.6%	3.0%	
2019	448,251	4.0%	3.3%	
2020, March ¹	446,018	3.8%	3.5%	

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

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

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

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

**Basic Financial Statements
And Supplementary Information**
Year Ended December 31, 2019

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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

**Audited Financial Statements
And Supplementary Information**
Year Ended December 31, 2019

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Independent Auditors' Report

The Village Board
Village of River Hills
Milwaukee County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of River Hills, Wisconsin ("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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Reilly, Penner & Benton LLP

1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

Change in Accounting Principle

As discussed in Note 11 to the financial statements, in 2019 the Village adopted new accounting guidance, GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is 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 management's discussion and analysis and budgetary comparison information and schedules of the proportionate share of the net pension asset (liability) and employer contributions, and schedules of proportionate share of the net OPEB asset (liability) and employer contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Reilly, Penner & Benton LLP

April 1, 2020
Milwaukee, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Our discussion and analysis of the Village of River Hills' financial performance provides an overview of the Village's financial activities for the fiscal year that ended on December 31, 2019. Please read it in conjunction with the Village's financial statements following this section.

Financial Highlights

- The Village's total net position increased by \$990,807, or 85%, from December 31, 2018 to December 31, 2019. The Village's unrestricted portion of net position decreased by \$125,032 during 2019.
- Fund balance for total governmental funds increased by \$379,994 during 2019. The general fund's fund balance increased by \$38,211 during 2019.
- Capital asset balances increased by a net total of \$556,877, or 14%, while total long-term debt decreased by a net total of \$102,964, or 3% during 2019.

Overview of the Financial Statements

This annual financial report consists of three parts:

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

The basic financial statements include Statements of Net Position, Statement of Activities, Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balances and Notes to the Financial Statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The Statement of Net Position reports information about the Village as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all government assets, liabilities, deferred outflows of resources, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two government-wide statements report the Village's net position and how they have changed. Net position – the difference between the Village's assets and liabilities is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Village, you need to consider additional non-financial factors such as changes in the Village's property tax base, economy and rate of growth.

The government-wide financial statements of the Village include:

- Governmental activities – The Village's basic services are included here such as police, fire, public works, assessing, finance and administration. Property taxes and state aid finance most of these activities.

The fund financial statements provide detailed information about the Village's significant funds. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Overview of the Financial Statements (continued)

The Village has two kinds of funds:

- Governmental funds – Most of the Village's basic services are included in governmental funds which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year end that are available for spending. Consequently, governmental funds statements tell how general government services like public safety and public works were financed in the short term as well as what future spending remains. Because this information does not encompass the additional long-term focus of government-wide statements, additional information is provided on separate pages explaining the differences between them.
- Fiduciary funds – Custodial funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Custodial fund included in these statements is the Tax Collection Fund. The Village is an agent for collection of all taxing districts, including Maple Dale/Indian Hill School District, Glendale-River Hills School District, Nicolet Union High School District, Milwaukee Area Technical College, Milwaukee Metropolitan Sewerage District, Milwaukee County and the State of Wisconsin. All of the Village's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the Village's government-wide financial statements because these assets cannot be used to finance operations.

Financial Analysis of the Village as a Whole

A summary of the Village's Statement of Net Position is presented below in Table 1.

Table 1
Condensed Statement of Net Position

	2019	2018
Current and other assets	\$ 5,012,570	\$ 4,804,305
Capital assets	4,514,703	3,957,826
Total assets	9,527,273	8,762,131
Deferred outflows of resources	1,264,626	1,109,950
Current and other liabilities	1,006,995	1,042,183
Long-term liabilities	3,511,252	3,135,356
Total liabilities	4,518,247	4,177,539
Deferred inflow of resources	4,116,459	4,528,156
Net investment in capital assets	1,820,474	859,984
Restricted	328,318	172,699
Unrestricted	8,401	133,703
Total net position	\$ 2,157,193	\$ 1,166,386

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Financial Analysis of the Village as a Whole (continued)

Statement of Net Position: During 2019, current and other assets increased by \$208,265 or 4.3% as a result of:

- Increase in cash and investments of \$313,454.
- Increase in taxes receivable of \$101,501.
- Increase in special assessments receivable of \$161,218.
- Decrease in net pension asset of \$368,018.

Capital assets increased by \$556,877, or 14%. Please refer to page 7 for further discussion about capital asset activity.

Deferred outflows related to the pension liability increased in the amount of \$156,387, mostly due to differences in actual and expected return on investments and changes in assumptions. Deferred outflows related to OPEB liability decreased \$1,711.

There was a decrease in total deferred inflows of \$411,697. Deferred inflows related to pension liability decreased in the amount of \$489,619, primarily due to the difference between actual and expected experience related to the pension liability.

Long-term debt decreased by \$102,964, during 2019, due mainly to the reduction of general obligation bonds of \$415,000, while direct borrowings increased by \$312,036. Compensated absences increased by \$47,687.

Table 2
Condensed Statement of Activities

	2019	2018
Revenues:		
Program:		
Charges for services	\$ 1,035,125	\$ 770,606
Operating grants and contributions	390,366	402,238
Capital grants and contributions	570,496	147,040
General:		
Taxes	3,408,049	3,321,705
Other	195,437	124,568
Total Revenues	<u>5,599,473</u>	<u>4,766,157</u>
Expenses:		
General government	631,793	571,936
Public safety	2,276,833	2,162,546
Public works	1,159,916	1,089,494
Culture, recreation and education	60,315	57,525
Health, conservation and sanitation	366,400	328,947
Interest and fiscal charges	99,720	106,154
Unallocated depreciation	13,689	13,689
Total expenses	<u>4,608,666</u>	<u>4,330,291</u>
Change in net position	<u>990,807</u>	<u>435,866</u>
Net Position – beginning	1,166,386	811,159
Prior Period Adjustment	-	(80,639)
Net Position–beginning as adjusted	<u>1,166,386</u>	<u>730,520</u>
Net Position – ending	<u>\$ 2,157,193</u>	<u>\$ 1,166,386</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Financial Analysis of the Village as a Whole (continued)

Charges for services increased by \$264,519, or 34%. The Village's operating grants and contributions decreased \$11,872; capital grants and contributions increased by \$423,456; and Property taxes increased by \$86,344 or 2.6% due to increases in the levy limit.

Overall, the Village's expenses increased by 6.4%. Increases in total are mostly driven by cost of living adjustments to salaries, materials and equipment.

Financial Analysis of Village's Funds

General fund: Revenues increased by \$142,849 or 4.1%. General government expenditures increased by \$62,311 due to a number of factors – an increase in Attorney fees related to negotiation of a cell tower lease agreement, charges from presidential visit which were not reimbursed, reduction of deficit fund balances, replacement of two furnaces, and an increase in insurance premiums. Public safety expenditures decreased by \$3,410. Public works expenditures increased by \$74,916 due mostly to the retirement of the Superintendent, an increase in fuel and supplies, an increase in contractual services, and expenses related to resident brush pickup and other services. Other expenditures remained fairly static during 2019. Overall general fund expenditures increased by \$191,368.

Debt Service fund: Scheduled debt service payments increased in 2019 by \$52,279.

Sewer fund: The sewer fund was reported as a major fund in 2019 and the sewer fund balance increased a total of \$79,831 to \$218,464. The Village plans to utilize the fund balance to offset future capital purchases. There was an increase of \$428,338 in intergovernmental revenue during 2019 from payments made by MMSD for a sewer project. There was an increase in capital outlay expenditures of \$242,591 from 2018, the majority of the costs were due to sewer projects that are funded by MMSD.

Non-major, Capital projects funds: During 2019, the capital projects funds fund balance increased by \$184,141 overall. This increase is due to efforts to reduce the deficit fund balance. Public safety expenditures consisted of Bayside capital for dispatch. Capital outlay expenditures included a new squad car and the purchase of a server for Village Hall.

General Fund Budgetary Highlights

Budgets are adopted at the departmental level. There were no budget adjustments approved by the Board during 2019.

Actual revenues collected in the General Fund were relatively consistent with budgeted amounts, with an overall positive variance of \$121,514. This variance is mostly due to unbudgeted revenue sources such as unanticipated grants received in the Police Department, and also higher than anticipated permit revenue and special service job orders.

Actual expenditures in the General Fund exceeded budget by \$61,477. The Village Attorney was over-budget by \$8,491 due to costs related to the negotiation of a cellular lease agreement, Public Safety was over-budget by \$5,172 due mostly to contractual services and overtime costs, and Public Works was over-budget by \$72,297 however a majority of the costs are due to services provided which were reimbursed.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Capital Assets and Debt Administration

Capital projects taking place during the year include the Village Hall Parking Lot (\$127,732). The Village's Department of Public Works also purchased an Excavator (\$63,778), and a Tractor (\$82,394). Construction in progress includes the Green Bay Court sewer project which is being paid for by MMSD.

Table 3
Capital Assets

	January 1, 2019	Additions	Disposals	December 31, 2019
Capital Assets:				
Land and easements	\$ 101,800	\$ -	\$ -	\$ 101,800
Construction in progress	293,339	536,951	-	830,290
Land improvements	2,466,342	159,122	-	2,625,464
Buildings	307,332	-	-	307,332
Building improvements	645,587	-	-	645,587
Equipment	1,098,751	123,960	-	1,222,711
Office equipment	48,469	-	-	48,469
Computer software	44,794	-	-	44,794
Vehicles	893,577	118,012	39,269	972,320
Infrastructure	1,149,486	-	-	1,149,486
Total capital assets	<u>7,049,477</u>	<u>938,045</u>	<u>39,269</u>	<u>7,948,253</u>
Less: Accumulated depreciation	3,091,651	381,168	39,269	3,433,550
Net capital assets	<u>\$ 3,957,826</u>	<u>\$ 556,877</u>	<u>\$ -</u>	<u>\$ 4,514,703</u>

Table 4
Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance
Long-term debt:				
General obligation debt	\$ 3,307,584	\$ 658,269	\$ (761,233)	\$ 3,204,620
Other liabilities:				
Accumulated unpaid sick pay	411,290	78,255	(34,798)	454,747
Accumulated unpaid merit days	93,203	4,230	-	97,433
Total long-term obligations \$	<u>3,812,077</u>	<u>740,754</u>	<u>(796,031)</u>	<u>3,756,800</u>

Long-term Debt: At year end the Village had general obligation promissory notes and State Trust Fund Loans that totaled \$3,204,620 and total long-term obligations of \$3,756,800. The Village has the power to incur indebtedness for Village purposes specified by statute in an aggregate amount, not to exceed five percent of the equalized value of taxable property in the Village. Our legal debt capacity as of December 31, 2019 was \$23,312,635 so the Village is currently at 13.75% of capacity. We have additional borrowing capacity of \$20,108,015.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Village of River Hills, Wisconsin
December 31, 2019

Economic Factors and Next Year's Budget

One historic strength of the Village is its tax base. For a municipal government such as River Hills, with most revenue derived from property taxes, protecting the tax base is primary. We are seeing trends in post-recession River Hills where housing sales are clearly on the rebound. We are convinced the turnover of homes caused by the recession has stabilized and strengthened the tax base.

With the 2019 Budget we see the continuation of borrowing for capital improvements. The 2019 budget explores opportunities to enhance revenues and cut expenditures with our 10-year capital expenditure plan. This plan helps to forecast annual operation and maintenance costs, including a long-range capital expenditure forecast so that the two can be better balanced. Our goal is to develop a sustainable plan for financing the ongoing maintenance of current services as well as creating a plan to address and eliminate deficit fund balances.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional information, please contact the Village of River Hills, 7650 North Pheasant Lane, River Hills, WI 53217.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Statement of Net Position
December 31, 2019

		Governmental Activities
Assets:		
Current assets		
Cash and investments	\$	2,555,628
Taxes receivable		2,088,087
Special assessments receivable		161,218
Accounts receivable		151,892
PILT receivable		15,917
Prepaid expenses		39,828
Total current assets		<u>5,012,570</u>
Capital assets		
Land, easements and construction in progress		932,090
Other capital assets, net of accumulated depreciation		3,582,613
Total capital assets		<u>4,514,703</u>
Total assets		9,527,273
Deferred outflows of resources:		
Deferred outflows related to pensions		1,255,004
Deferred outflows related to OPEB		9,622
Total deferred outflows		<u>1,264,626</u>
Liabilities:		
Current liabilities		
Accounts payable		86,722
Accrued payroll, payroll taxes and withholdings		61,645
Refundable deposits		15,150
Accrued interest		65,440
Current portion of long-term debt		778,038
Total current liabilities		<u>1,006,995</u>
Noncurrent liabilities		
Net pension liability		456,223
Net OPEB liability		76,267
Noncurrent portion of accrued sick and merit pay		552,180
Noncurrent portion of long-term debt		2,426,582
Total noncurrent liabilities		<u>3,511,252</u>
Total liabilities		4,518,247
Deferred Inflow of Resources:		
Unavailable tax revenue		3,401,156
Unavailable PILT revenue		57,613
Deferred inflows related to pensions		628,793
Deferred inflows related to OPEB		28,897
Total deferred inflow of resources		<u>4,116,459</u>
Net Position:		
Net investment in capital assets		1,820,474
Restricted for:		
Debt service		106,876
Police Expenditures		2,977
Sewer		218,465
Unrestricted		8,401
Total net position	\$	<u><u>2,157,193</u></u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS

Milwaukee County, Wisconsin

Statement of Activities

Year Ended December 31, 2019

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 631,793	\$ 297,391	\$ 839	\$ ---	\$ (333,563)
Public safety	2,276,833	232,150	76,703	---	(1,967,980)
Public works	1,159,916	505,584	299,058	570,496	215,222
Culture, recreation and education	60,315	---	---	---	(60,315)
Health, conservation and sanitation	366,400	---	13,766	---	(352,634)
Interest and fiscal charges	99,720	---	---	---	(99,720)
Unallocated depreciation*	13,689	---	---	---	(13,689)
Total governmental activities	<u>\$ 4,608,666</u>	<u>\$ 1,035,125</u>	<u>\$ 390,366</u>	<u>\$ 570,496</u>	<u>(2,612,679)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,487,529
Property taxes, levied for debt service	862,630
Payments in lieu of property taxes	57,890
Grants and contributions not restricted to specific programs	82,399
Earnings on investments	18,571
Interest on delinquent taxes and special assessments	23,719
Gain on sale of Village assets	13,100
Insurance recoveries	20,966
Miscellaneous	36,682

Total general revenues

3,603,486

Change in net position

990,807

Net position - beginning

1,166,386

Net position - ending

\$ 2,157,193

* This amount excludes the depreciation that is included in the direct expenses of the various activities

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Balance Sheet - Governmental Funds
December 31, 2019

	General Fund	Debt Service Fund	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 2,307,435	\$ 106,876	\$ 89,814	\$ 51,503	\$ 2,555,628
PILT receivable	15,917	---	---	---	15,917
Accounts receivable	74,133	---	77,759	---	151,892
Taxes receivable	1,227,432	860,655	---	---	2,088,087
Special assessments receivable	---	161,218	---	---	161,218
Due from other funds	357,446	---	142,079	---	499,525
Prepaid expenditures	39,828	---	---	---	39,828
	Total assets	\$ 1,128,749	\$ 309,652	\$ 51,503	\$ 5,512,095
Liabilities, Deferred Inflows of Resources and Fund Balance (deficit):					
Liabilities:					
Accounts payable	\$ 73,294	\$ ---	\$ 13,428	\$ ---	\$ 86,722
Accrued payroll and taxes	61,645	---	---	---	61,645
Refundable deposits	15,150	---	---	---	15,150
Due to other funds	142,079	---	---	357,446	499,525
	Total liabilities	---	13,428	357,446	663,042
Deferred Inflows of Resources:					
Unavailable tax revenue	2,540,501	860,655	---	---	3,401,156
Deferred special assessments	---	161,218	---	---	161,218
Unavailable project reimbursements	---	---	77,759	---	77,759
Unavailable PILT revenue	57,613	---	---	---	57,613
	Total deferred inflows of resources	1,021,873	77,759	---	3,697,746
Fund Balance (Deficit):					
Nonspendable	39,828	---	---	---	39,828
Restricted	2,977	106,876	218,465	---	328,318
Committed	---	---	---	51,503	51,503
Unassigned	1,089,104	---	---	(357,446)	731,658
	Total fund balance (deficit)	106,876	218,465	(305,943)	1,151,307
	Total liabilities, deferred inflows and fund balance (deficit)	\$ 1,128,749	\$ 309,652	\$ 51,503	\$ 5,512,095

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total fund balances for governmental funds	\$	1,151,307
Total net position reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$	76,000
Easements		25,800
Construction in progress		830,290
Land improvements		2,625,464
Buildings		307,332
Building improvements		645,587
Equipment		1,222,711
Office equipment		48,469
Computer software		44,794
Vehicles		972,320
Infrastructure		1,149,486
Less: Accumulated depreciation		<u>(3,433,550)</u>
		4,514,703
The Village's proportionate share of the net pension liability at the WRS is reported on the statement of net position, but not in the governmental funds.		
		(456,223)
The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but not in the governmental funds.		
		(76,267)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the governmental funds.		
Deferred outflows related to pensions	1,255,004	
Deferred inflows related to pensions	(628,793)	
Deferred outflows related to OPEB	9,622	
Deferred inflows related to OPEB	<u>(28,897)</u>	
		606,936
Unavailable project reimbursements are not currently available, and therefore, are not reported in the governmental funds.		
		77,759
The Village's special assessments are completed but payment on them will not be available to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
		161,218
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported on the statement of net position.		
Balances at December 31, 2019 are:		
Accrued interest	(65,440)	
Accrued merit and sick	(552,180)	
Bonds and notes payable	<u>(3,204,620)</u>	
		<u>(3,822,240)</u>
Total net position of governmental activities	\$	<u><u>2,157,193</u></u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

**Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds**
Year Ended December 31, 2019

	General Fund	Debt Service Fund	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes levied by Village	\$ 2,487,529	\$ 862,630	\$ ---	\$ ---	\$ 3,350,159
Special assessments	---	66,862	---	---	66,862
Operating grants and contributions:					
Intergovernmental revenues	470,926	---	550,824	---	1,021,750
Licenses, fees and permits	119,188	---	---	---	119,188
Fines and costs	135,350	---	---	---	135,350
Revenue from use of Village money and property	31,342	10,948	---	---	42,290
General revenues	371,414	---	---	---	371,414
Public charges for services	---	---	275,004	---	275,004
Other - lateral connection fees	---	---	2,500	---	2,500
Total revenue	<u>3,615,749</u>	<u>940,440</u>	<u>828,328</u>	<u>---</u>	<u>5,384,517</u>
Expenditures:					
Current:					
General government	604,561	---	---	---	604,561
Public safety	2,041,903	---	---	51,785	2,093,688
Public works	620,481	---	166,873	---	787,354
Culture, recreation and education	60,315	---	---	---	60,315
Health, conservation and sanitation	347,513	---	---	---	347,513
Other	2,753	---	---	---	2,753
Capital outlay	285,970	---	581,624	70,451	938,045
Debt Service:					
Principal	---	761,233	---	---	761,233
Interest and fiscal charges	---	101,396	---	---	101,396
Total expenditures	<u>3,963,496</u>	<u>862,629</u>	<u>748,497</u>	<u>122,236</u>	<u>5,696,858</u>
Excess (Deficiency) of revenues over (under) expenditures	(347,747)	77,811	79,831	(122,236)	(312,341)
Other Financing Sources:					
Face value of loans issued	534,980	---	---	123,289	658,269
Proceeds from sale of Village assets	13,100	---	---	---	13,100
Insurance recoveries	20,966	---	---	---	20,966
Operating transfers in	---	---	---	183,088	183,088
Operating transfers out	(183,088)	---	---	---	(183,088)
Total other financing sources	<u>385,958</u>	<u>---</u>	<u>---</u>	<u>306,377</u>	<u>692,335</u>
Net changes in fund balances	38,211	77,811	79,831	184,141	379,994
Fund Balance (Deficit), January 1	<u>1,093,698</u>	<u>29,065</u>	<u>138,634</u>	<u>(490,084)</u>	<u>771,313</u>
Fund Balance (Deficit), December 31	<u>\$ 1,131,909</u>	<u>\$ 106,876</u>	<u>\$ 218,465</u>	<u>\$ (305,943)</u>	<u>\$ 1,151,307</u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**
Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$	379,994
The change in net position reported for governmental activities in the statement of activities is 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. These amounts are as follows:		
Depreciation expense	\$ (381,168)	
Capital outlays	<u>938,045</u>	556,877
Capital assets are not reported in the funds, therefore governmental funds do not report gains or losses on their disposal like the statement of activities does.		
Gain on sale of Village assets	13,100	
Proceeds received	<u>(13,100)</u>	---
Repayment of principal is an expenditure in the governmental funds, but reduces liability in the statement of net position.		
Bonds, notes and state trust fund loans		761,233
Proceeds on new debt is an other financing source in the governmental funds, but increases liability in the statement of net position		
		(658,269)
In the Statement of Activities, revenues related to future reimbursements are reported as capital grants. In the governmental funds, however, revenues for these items are measured by the amount of financial resources available.		
Future reimbursements	77,759	
Available reimbursements	<u>(58,087)</u>	19,672
In the Statement of Activities, the cost of pension benefits and OPEB benefits earned net of employee contributions is reported as an expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		
Pension expense	(315,591)	
Village pension contributions	137,356	
OPEB expense	(6,239)	
Village OPEB contributions	<u>569</u>	(183,905)
Under the modified accrual basis of accounting used in the governmental funds, expenditures (revenues) are not recognized for transactions that are not normally paid (received) with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities, and revenues and receivables are reported regardless of when financial resources are available. The following adjustments are created by these differences in accounting methods:		
Special assessments		161,218
Sick and merit pay		(47,687)
Accrued interest		<u>1,674</u>
Net change in net position of governmental activities	\$	<u><u>990,807</u></u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Statement of Fiduciary Net Position
December 31, 2019

		<u>Custodial Funds</u>
Assets:		
Cash and investments	\$	3,983,719
Taxes receivable		<u>5,323,197</u>
Total assets	\$	<u><u>9,306,916</u></u>
 Liabilities:		
Amounts due to other governmental units	\$	<u>9,306,916</u>

Statement of Changes in Fiduciary Net Position
December 31, 2019

		<u>Custodial Funds</u>
Additions:		
Collection of property taxes	\$	8,964,782
Deductions:		
Distributions to other governmental units		<u>8,964,782</u>
Net change in fiduciary net position		---
Net position, January 1		<u>---</u>
Net position, December 31	\$	<u><u>---</u></u>

The accompanying notes to financial statements are an integral part of these statements.

1. Summary of Significant Accounting Policies

The Village of River Hills ("Village") complies with accounting principles generally accepted in the United States of America ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

This report includes all of the funds of the Village of River Hills. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the Village. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met. (1) the economic resources received or held by the separate organization are entirely, or almost entirely, for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or had the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of net position presents the governmental activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position on a full accrual basis, which recognizes all long-term assets and long-term liabilities. The Village's net position is reported in three classifications: net investment in capital assets, which consists of the difference between capital assets net of accumulated depreciation less outstanding debt used to acquire those assets; restricted net position, which represents assets required by outside parties or legislation to be spent in a specific manner; and unrestricted net position which is net position not included in the other two classifications.

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

Government-Wide Financial Statements (continued)

The statement of activities presents the activities of the governmental activities on a full accrual basis. These activities are presented in a manner which demonstrates the degree to which the direct expenses of a given function are offset by program revenues of that function. Program revenues are presented in three classifications: charges for services, which include direct charges to customers benefiting from the services, goods or privileges provided; operating grants and contributions, which were received in activities related to that function but not required to be used for capital asset acquisition; and capital grants and contributions which were received in activities related to that function and required to be used for the acquisition of capital assets. Other revenues not attributable to individual functions and taxes are reported as general revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities, deferred inflows/outflows of resources, revenues, or expenditures/expenses of the individual fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, deferred inflows/outflows of resources, revenues, or expenditures/expenses of the individual fund are at least 5 percent of the corresponding total for all funds combined (not including fiduciary funds).
- In addition, any other fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

The Village reports the following major funds:

Major Governmental Funds

- General Fund - the General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally or administratively required to be accounted for in another fund.
- Debt Service Fund - the Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.
- Special Revenue Sewer Fund - the Special Revenue Sewer Fund is used to account for revenues requiring separate accounting because of legal, regulatory or administrative provisions.

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

Non-major Governmental Funds

- Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment, and consist of the following individual funds:

Capital Fund	Annual Road Program
Police Department	Range Line Road Bridge

Fiduciary Funds

- Custodial Funds - are used to account for assets held by the Village in a purely custodial capacity. The Village's custodial fund is used for recording assets collected for other taxing jurisdictions. Since by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not included in the preparation of the government-wide statements.

C. Measurement Focus and Basis of Accounting

Measurement Focus

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred inflows of resources, deferred outflows of resources and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

For the government-wide statements, the governmental activities utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets, deferred inflows of resources, deferred outflows of resources and liabilities (whether current or noncurrent) associated with their activities are reported. Governmental activity equity is classified as net position.

Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and fiduciary funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for certain items related to long-term liabilities. Such items include: accumulated unpaid sick and merit pay, and principal and interest on general long-term debt which are reported when due.

D. Assets, Liabilities, and Net Position/Fund Balance

Cash and Equivalents

The Village has defined cash and equivalents to include cash on hand, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Investments

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those measurements that GASB Statements require or permit in the statement of net position at the end of each reporting period.

The Village's investments consist of the Local Government Investment Pool ("LGIP"), which is exempt from fair value disclosure due to investments being valued at amortized cost.

Receivables

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled and has not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Management has determined that no allowance for uncollectible accounts is necessary since it is believed that such an allowance would not be material. Delinquent real estate taxes of the Village are paid in full by the county, which assumes the responsibility for collection. Major receivable balances for the governmental activities include taxes, special assessments, and user charges.

1. Summary of Significant Accounting Policies (continued)
 D. Assets, Liabilities, and Net Position/Fund Balance (continued)

Receivables (continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as intergovernmental grants and aids, user charges for services provided, special assessments, and other similar revenues since they are usually both measurable and available. Receivables collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not other local governmental units billed in the current year for the succeeding year are reflected as receivables and interest and investment earnings are recorded when earned, only if paid within 60 days since they would be considered both measurable and available.

Property taxes are recorded in the year levied as receivables and unavailable tax revenues. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments, the Milwaukee Metropolitan Sewerage District, and the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other taxing units on the statement of fiduciary net position – agency funds. Taxes are levied in December on the assessed value as of the prior January 1.

The Property Tax Calendar for the 2019 Tax Roll is as follows:

Lien date and levy date	November 2019
Tax bills mailed	November 2019
Payment in full, or	January 31, 2020
First installment of 50% due	January 31, 2020
Second installment of 25% due	March 31, 2020
Third installment of 25% due	May 31, 2020
Special charges and personal property taxes in full	January 31, 2020
Tax sale of 2016 delinquent real estate taxes	October 2020

Special assessments receivable consists of charges to property owners for the installation of a new Sewer Pump Lift Station. Special assessments receivable not expected to be collected within one year after December 31, 2019 amounts to \$142,971.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds" on the fund financial statements and eliminated on the government-wide financial statements. Any balances not anticipated to be repaid within one year are classified as advances to and from other funds.

1. Summary of Significant Accounting Policies (continued)
 D. Assets, Liabilities, and Net Position/Fund Balance (continued)

Inventories and Prepaid Items

Governmental fund inventory of materials and supplies are charged to expenditure accounts when purchased; year-end inventory was not significant.

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

Capital Assets

The accounting treatment related to capital assets depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Capital assets with an original cost of more than \$5,000 and having an estimated useful life of four or more years are defined by the Village as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual costs are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 1, 2004, infrastructure assets of the Village's governmental funds were not required to be capitalized. Upon the implementation of GASB 34, the Village is required to account for all capital assets, including infrastructure, in the government-wide financial statements prospectively from the date of implementation. Retroactive reporting of all major infrastructure assets is encouraged but not required. The Village has chosen not to retroactively report infrastructure assets from prior to January 1, 2004. The Village has incorporated all infrastructure assets meeting the Village's definition into the government-wide financial statements in subsequent years.

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

Asset Class	Estimated Useful lives
Land improvements	20
Buildings and improvements	40
Infrastructure (except traffic signals – 15)	25-80
Vehicles	5
Computer equipment	5
Equipment	7
Computer software	3

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position/Fund Balance (continued)

Fund Financial Statements

In the fund financial statements, capital assets acquired in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund.

Accumulated Sick Pay and Merit Pay

Compensated absences consist of accumulated sick and merit pay earned but unused by Village employees. Under terms of employment, municipal employees are granted merit and sick leave in varying amounts.

To the extent that sick leave and merit pay vests, such amounts are considered to be a long-term liability and are recorded as long-term debt in the government-wide financial statements up to the maximum amount to be paid out upon termination.

Sick leave is earned at the rate of one day for each month of employment and may be accumulated to a maximum of 140 days. Merit days are earned at the end of each calendar year of service based on the actual number of sick days used during a year. If zero sick days are used, then six merit days are earned. If one sick day is used, then five merit days are earned, etc. If six or more sick days are used within the year, then zero merit days are earned. Due to the long-term nature of these liabilities, the governmental funds do not report these liabilities in the fund financial statements unless they have matured. The government-wide financial statements record this liability as it is incurred.

Long-term Obligations

The reporting of long-term obligations depends on whether the assets are reported in the government-wide or fund financial statements. The long-term debt consists primarily of general obligation notes and bonds, accrued sick and merit pay, the net pension liability, and the net OPEB liability.

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. Premiums and discounts on issuance are deferred and amortized over the life of the debt. Issuance costs are expensed in the statement of activities.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt and premiums on issuance are reported as other financing sources. Payments of principal and interest, as well as costs of issuance, are reported as expenditures.

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position/Fund Balance (continued)

Equity Classifications

Government-Wide Statements

The Village classifies net position in the government-wide financial statements as follows:

- a. *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- a. *Nonspendable* – amounts that cannot be spent because they are either in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* – amounts that can be used only for specific purposes determined by a formal action of the Village Board. The Village Board is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through the same type of action as employed to previously commit those amounts.
- d. *Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village's policy, the Village Board may assign amounts for specific purposes at the recommendation of the Village Manager.
- e. *Unassigned* – all other spendable amounts.

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position/Fund Balance (continued)

Equity Classifications (continued)

Village policy states that funds shall be committed through the adoption of a resolution and passed by the majority of the Village Board. The Village Manager may assign funds for specific purposes.

When multiple categories of funds are available for a particular purpose Village policy states that funds shall be spent in the following order: restricted, committed, assigned then unassigned.

The Village's current fund balance policy is to seek to maintain its unassigned fund balance at a minimum of 25% of total general fund annual revenues. The purpose of this unassigned fund balance is to provide adequate cash flow throughout the year and to allow the village the means to respond to unanticipated emergencies, contingencies, and opportunities that may not have been anticipated at the time of budget preparation. Use of the fund balance below the minimum balance required by this policy shall require approval of the Village board.

E. Estimates

The preparation of financial statements in conformity with GAAP 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. Deferred Outflows and Deferred Inflows of Resources

The separate financial statement elements, deferred inflow of resources and deferred outflows of resources, represent an increase or decrease in net position that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) or outflow of resources (expense) until then. The Village reports property taxes, unavailable project reimbursements, deferred special assessments and PILT revenue as deferred inflows of resources. The Village also reports deferred inflows and outflows of resources related to the WRS pension and the LRLIF, which are described in more detail in notes 4 and 5.

G. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System ("WRS") and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported to 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.

1. Summary of Significant Accounting Policies (continued)

H. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

I. Adoption of New Accounting Guidance

The Village implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. See Note 3D for additional information.

2. Stewardship, Compliance, and Accountability

A. Deposits and Investment Laws and Regulations

The Village invests its funds in accordance with the provisions of applicable Wisconsin Statutes. In accordance with the provisions, the Village may invest funds not immediately needed in the following:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than three years.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, local exposition district or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. The State of Wisconsin Local Government Investment Pool ("LGIP").
5. Repurchase agreements collateralized securities referred to in 3 above.
6. Open-ended no load registered mutual funds that invest in securities referred to in 3 and 5 above.
7. Any security which matures, or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category of a nationally recognized rating agency.
8. Bonds issued by a local exposition district.
9. Bonds issued by a local professional baseball park district.
10. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.

Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts

A. Cash and Investments

Cash and investments as shown on the Village's statement of net position are subject to the following risks:

	Cash	Investments	Total
Petty Cash	\$ 300	\$ ---	\$ 300
Custodial Risk:			
Demand deposits	6,231,334	---	6,231,334
Local Government Investment Pool (LGIP)	---	307,713	307,713
Total	<u>\$ 6,231,630</u>	<u>\$ 307,713</u>	<u>\$ 6,539,347</u>

The Village's cash and investments are reported in the financial statements as follows:

Statement of net position:	
Cash and investments	\$ 2,555,628
Statement of fiduciary net position:	
Custodial Fund cash and investments	3,983,719
Total cash and investments	<u>\$ 6,539,347</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in each local and area bank and in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. However, due to the relatively small size of the guarantee fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental entities. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the SIF and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2019, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.dca.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)

A. Cash and Investments (continued)

Custodial Risk

Custodial risk is the risk that, in the event of a bank failure, the Village's deposits and value of investments may not be returned to the Village. The Village's carrying value for demand deposits and local government investment pool was \$6,539,047 at December 31, 2019, and the bank's carrying value was \$6,674,889, of which \$1,607,713 was fully insured and \$5,067,176 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than seven years from the date of purchase in accordance with state statutes.

Credit Risk

Generally, credit risk is the risk that an issuer of a type of investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities.

B. Interfund Balances and Transfers

Due to (from) other funds

Balances due to and from other funds are interfund balances that are anticipated to be repaid within the coming year and can include interfund accounts receivable or payable for goods or services received or provided. Interfund balances are the result of timing differences. The following is a schedule of due to (from) other funds at December 31, 2019:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Sewer Fund		General Fund	\$ 142,079	Property tax collections
General Fund		Capital Fund	87,792	Project financing
General Fund		Annual Road Program	269,654	Project financing
			<u>\$ 499,525</u>	

All amounts are anticipated to be repaid within one year.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)
B. Interfund Balances and Transfers (continued)

Transfers

During the year ended December 31, 2019, the Village had the following interfund transfers:

Receivable Fund	Payable Fund	Amount	Purpose
Capital Fund	General Fund	\$ 39,647	Board approved transfer of funds
Annual Road Program	General Fund	56,246	Board approved transfer of funds
Range Line Road Bridge	General Fund	87,195	To reduce deficit fund balance
		\$ 183,088	

For the statement of net position, interfund balances that are owed within the governmental activities are netted and eliminated.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)
C. Capital Assets

GASB Statement No. 34 requires the Village only to capitalize infrastructure prospectively from the date of implementation (January 1, 2004). All subsequent additions to infrastructure have been incorporated into the Village's financial statements and the following schedules.

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

	Balance January 1, 2019	Additions	Disposals	Transfers	Balance December 31, 2019
Non-depreciable capital assets:					
Land	\$ 76,000	\$ ---	\$ ---	\$ ---	\$ 76,000
Easements	25,800	---	---	---	25,800
Construction in progress	293,339	536,951	---	---	830,290
Total non-depreciable capital assets	395,139	536,951	---	---	932,090
Depreciable capital assets:					
Land improvements	2,466,342	159,122	---	---	2,625,464
Building - Village Hall	30,000	---	---	---	30,000
Building - D.P.W.	277,332	---	---	---	277,332
Building improvements	645,587	---	---	---	645,587
Equipment	1,098,751	123,960	---	---	1,222,711
Office equipment	48,469	---	---	---	48,469
Computer software	44,794	---	---	---	44,794
Vehicles	893,577	118,012	(39,269)	---	972,320
Infrastructure	1,149,486	---	---	---	1,149,486
Total depreciable capital assets	6,654,338	401,094	(39,269)	---	7,016,163
Less: Accumulated depreciation	3,091,651	381,168	(39,269)	---	3,433,550
Net depreciable capital assets	3,562,687	19,926	---	---	3,582,613
Net total capital assets	\$ 3,957,826	\$ 556,877	\$ ---	\$ ---	\$ 4,514,703

Depreciation expense for governmental activities was charged to governmental functions as follows:

General government	\$ 8,798
Health, Conservancy	10,238
Public safety	33,098
Public works	315,345
Unallocated	13,689
Total depreciation expense	\$ 381,168

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)

D. Long-Term Obligations

All general obligation debt is backed by the full faith and credit of the Village and will be retired through future property tax levies accumulated by the debt service fund. General fund resources are used to liquidate the liability for accumulated sick and merit pay.

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Long-term debt:					
General obligation notes	\$ 1,010,000	\$ ---	\$ (415,000)	\$ 595,000	\$ 425,000
Direct borrowings:					
State trust fund loans	2,297,584	658,269	(346,233)	2,609,620	353,038
Total long-term debt	3,307,584	658,269	(761,233)	3,204,620	778,038
Other liabilities:					
Accumulated unpaid sick pay	411,290	78,255	(34,798)	454,747	---
Accumulated unpaid merit days	93,203	4,230	---	97,433	---
Total long-term obligations	\$ 3,812,077	\$ 740,754	\$ (796,031)	\$ 3,756,800	\$ 778,038

Total interest paid and expensed (including accrual) for the year ended December 31, 2019, on long-term obligations was \$101,396 and \$99,720, respectively.

Details of general obligation debt are presented below:

	Original Issue	Issue Date	Maturity	Interest Rate	Balance
Direct Borrowings:					
State Trust Fund Loan	\$ 367,480	3/15/13	3/15/22	2.75%	\$ 132,587
State Trust Fund Loan	575,689	3/1/13	3/15/21	2.75%	155,998
State Trust Fund Loan	455,248	3/1/13	3/15/22	2.75%	164,423
State Trust Fund Loan	483,000	8/11/15	3/15/25	3.25%	304,155
State Trust Fund Loan	519,293	4/28/16	3/15/26	3.00%	377,512
State Trust Fund Loan	514,354	6/20/17	3/15/27	3.5%	421,297
State Trust Fund Loan	434,886	6/1/18	3/15/28	4.00%	395,379
State Trust Fund Loan	658,269	9/3/19	3/15/28	3.75%	658,269
General Obligation Notes	3,475,000	2/10/11	8/10/20	.80 - 3.10%	410,000
General Obligation Notes	305,000	11/23/11	11/1/21	2.00 - 2.50%	185,000
Total General Obligation Debt					\$ 3,204,620

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)

D. Long-Term Debt (continued)

Aggregate debt-service requirements for the retirement of long-term principal and interest are as follows:

	G.O. Principal	G.O. Interest	Direct Borrowings Principal	Direct Borrowings Interest	Total
2020	\$ 425,000	\$ 18,213	\$ 353,038	\$ 64,405	\$ 860,656
2021	170,000	5,127	415,505	91,153	681,785
2022	---	---	360,544	64,877	425,421
2023	---	---	267,877	53,039	320,916
2024	---	---	277,118	43,798	320,916
2025 - 2029	---	---	935,538	84,992	1,020,530
Totals	\$ 595,000	\$ 23,340	\$ 2,609,620	\$ 402,264	\$ 3,630,224

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. As of December 31, 2019, the Village has used 13.75% of the debt limit.

The following summarizes the debt limit calculation as of December 31, 2019:

Equalized Value January 1, 2019	\$ 466,252,700
Debt limit (5% of equalized value)	\$ 23,312,635
General Obligation Debt by Funding Source:	
Tax levy	\$ 3,204,620
Total General Obligation debt	\$ 3,204,620

Ratio of applicable general obligation debt to debt limit 13.75 %

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)
E. Net Position and Fund Balances

Government-Wide Financial Statement Net Position

Governmental net position consists of the following:

Net investment in Capital Assets:	
Land and construction in progress	\$ 932,090
Other capital assets net of accumulated depreciation	3,582,613
Less long-term debt	(3,204,620)
Add unspent proceeds	176,412
Add non-capital related debt	333,979
Total net investment in capital assets	\$ 1,820,474
Restricted for:	
Debt Service	106,876
Police expenditures	2,977
Sewer	218,465
Unrestricted	8,401
Total governmental net position	\$ 2,157,193

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

3. Detail Notes on Transaction Classes and Accounts (continued)
E. Net Position and Fund Balances

Fund Financial Statements

Governmental fund balances (deficits) consist of the following:

General Fund:	
Nonspendable:	
Prepaid expenses	\$ 39,828
Restricted	2,977
Unassigned	1,089,104
Total General Fund	\$ 1,131,909
Debt Service Fund:	
Restricted	\$ 106,876
Sewer Fund:	
Restricted	\$ 218,465
Non-major Funds:	
Committed:	
Police Capital	51,503
Unassigned	(357,446)
Total non-major funds	\$ (305,943)

At December 31, 2019, the following funds had deficit fund balances:

	Fund	Amount
Capital Projects:		
Capital fund	\$	87,792
Annual Road Program		269,654

It is anticipated that the above fund deficits will be absorbed through future years' tax and general revenues.

4. Defined Benefit Pension Plan

Plan Description

The Wisconsin Retirement System ("WRS") is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds ("ETF"). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1,200 hours a year (880 hours 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://efr.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) 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.

WRS also provides death and disability benefits for employees.

4. Defined Benefit Pension Plan (Continued)

Post-Retirement Adjustments

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

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as for 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 (calendar year 2018), the WRS recognized \$137,356 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

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

4. Defined Benefit Pension Plan (Continued)

Pension Liability, Pension Expense and Deferred Outflows and Inflows of Resources

At December 31, 2019, the Village reported a liability of \$456,223 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 asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.01282%, which was an increase of 0.0004% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$315,591.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 355,328	\$ 628,094
Net difference between projected and actual earnings on pension plan investments	666,284	---
Change in assumptions	76,902	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,439	699
Employer contributions subsequent to the measurement date	144,051	---
Total	\$ 1,255,004	\$ 628,793

The amount of \$144,051 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	652,827	(474,698)
2021	429,301	(382,602)
2022	417,447	(342,518)
2023	302,974	(120,571)
Thereafter	---	---

4. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair 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 the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

4. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2018 are summarized in the following table:

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

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.50%
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 municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

4. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (continued)

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 (asset) liability	\$1,813,081	\$ 456,223	\$ (552,704)

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://eff.wi.gov/publications/cafr.htm>.

Payables to the pension plan at December 31, 2019 were \$21,625. This represents contributions earned as of December 31, 2019, but for which payment was not remitted to the pension plan until subsequent to year-end.

5. Other Post-Employment Benefits

Plan Description

The Local Retiree Life Insurance Fund ("LRLIF") is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds ("ETF") and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

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

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions.

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

5. Other Post-Employment Benefits
Contributions (Continued)

Employees are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution
50% Post Retirement Coverage	40% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates*		
For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$569 in contributions from the employer

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, the Village reported a liability of \$76,267 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of 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 OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was .0296%, which was a decrease of .0035% from its proportion measured as of December 31, 2017.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin
Notes to Financial Statements
December 31, 2019
(Continued)

5. Other Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended December 31, 2019, the Village recognized OPEB expense of \$6,239.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ 3,869
Net difference between projected and actual earnings on OPEB plan investments	1,823	---
Changes in assumptions	7,277	16,532
Changes in proportion and differences between employer contributions and proportionate share of contributions	---	8,496
Employer contributions subsequent to the measurement date	522	---
Total	\$ 9,622	\$ 28,897

The amount of \$522 reported as deferred outflows related to OPEB resulting from the employers contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	\$ 1,836	\$ 4,722
2021	1,836	4,722
2022	1,836	4,722
2023	1,580	4,722
2024	1,316	4,722
2025	696	4,614
2026	---	673

5. Other Post-Employment Benefits (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases:	3.00%
Inflation:	0.1% - 5.6%
Seniority/Merit:	Wisconsin 2018 Mortality Table
Mortality:	

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 OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securitan, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Bloomberg MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

5. Other Post-Employment Benefits (Continued)

Single Discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase To Discount Rate (5.22%)
Village's proportionate share of the net OPEB liability	\$ 108,495	\$ 76,267	\$ 51,411

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

6. Other Notes

A. Joint Ventures

North Shore Fire Department

By agreement dated December 30, 1994, the North Shore Fire Department ("NSFD") was created. The NSFD, which provides a unified integrated fire and emergency medical service, began operations on January 1, 1996. The NSFD was created pursuant to the provisions of Wisconsin Statutes 61.65 and 66.30. Participants are the City of Glendale, Village of Fox Point, Village of Shorewood, Village of Brown Deer, Village of River Hills, Village of Whitefish Bay and Village of Bay Side. The NSFD is operated by a Board of Directors consisting of seven members, which includes the mayor and village presidents, or appointed trustees of each participating municipality. The affirmative vote of a majority of the members of the Board of Directors is required on most matters. Also established by the agreement is a Joint Fire Commission that has the powers related to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, etc.

The powers of the Board of Directors include authorizing repair, maintenance, and renewal of physical assets and recommending adoptions of the department's budget. The capital and operating budget of the department must receive approval of at least five of seven participating municipalities.

VILLAGE OF RIVER HILLS
 Milwaukee County, Wisconsin
Notes to Financial Statements
 December 31, 2019
 (Continued)

6. Other Notes (continued)

A. Joint Ventures (continued)

North Shore Fire Department (continued)

Each participating municipality's annual financial contribution to the NSFD's operations and capital budget shall be based on its prorated share of the population, equalized valuation, and usage of all the municipalities. The Village accounts for its share of the operations of the NSFD in the General Fund. The Village made payments totaling \$410,529 to NSFD for 2019. The Village believes that the fire department will continue to provide services in the future at similar rates. Complete 2019 financial information is available from NSFD at 4401 West River Lane, Brown Deer, WI 53223. The Village does not report an equity interest in this joint venture.

North Shore Library System

The City of Glendale and the Villages of Fox Point, River Hills, and Bayside operate the North Shore Library under a Joint Library Agreement dated January 1, 1985. Under the joint agreement, a Joint Library Board was created to operate the North Shore Library. The Joint Board is composed of ten members: five members from Glendale, two members each from Fox Point and Bayside, one member from River Hills, and the Superintendent of Schools for Nicolet School District. The Joint Library Board has the power to repair, maintain, and renew physical assets for the library and to prepare and adopt a budget for the library's operating expenses and a budget for the library's capital improvement expenses. The operating budget must be approved by at least three of the four municipalities. In addition, the Joint Library Board has the power to appoint the Library Director and such other assistants and employees as it deems necessary. Operating and capital expenses are shared proportionately based upon population estimates published in October.

The Village made payments totaling \$60,315 to the Library in 2019. The Village accounts for its share of the operations of the North Shore Library in the General Fund. The Village believes that the library will continue to provide services in the future at similar rates. Complete 2019 financial information is available from the Village of Fox Point, who is the fiscal agent for the North Shore Library. The Village does not report an equity interest in this joint venture.

Dispatch Services

The Villages of Fox Point, River Hills, and Bayside jointly operate a dispatch service under a joint service agreement. Under the joint agreement, the Village of Bayside provides dispatch services to the three municipalities. The cost of these services is shared between the communities as agreed upon in the individual agreements. A separate board has not been established to govern the dispatch service activities. Changes to the agreements and to the services provided require the approval of all three village boards. During 2019, the Village made payments totaling \$148,575 to the Village of Bayside. The Village does not report an equity interest in this joint venture.

VILLAGE OF RIVER HILLS
 Milwaukee County, Wisconsin
Notes to Financial Statements
 December 31, 2019
 (Continued)

6. Other Notes (Continued)

B. Franchise Fees

The Village has entered into an agreement with Cellular One - Eastern Wisconsin, which subsequently became U.S. Cellular. It was renewed for an additional five-year term on September 22, 2014. The contract is in the final renewal phase in 2019. Annual fees for the current five-year term are \$20,988. Fee income under this agreement for the year ended December 31, 2019, was \$20,988. On December 11, 2019, both parties agreed to a lease extension for up to 25 years, with 5-year interim renewal periods. Annual fees beginning in 2020 will be \$54,000, increasing 4% each year thereafter.

The Village also receives revenue from Charter Communications. Charter Communications pays five percent of its gross income from cable revenue earned in the Village. In 2019, the Village received approximately \$22,556 from Charter Communication.

The Village also has an agreement with Sprint Spectrum, L.P., which subsequently became Sprint/Nextel. It was renewed for an additional five-year term on May 31, 2016. The contract is in the final renewal phase. Annual fees for the current five-year term are \$51,474 for 2017 plus an additional 4% increase per year. Fee income under this agreement for the year ended December 31, 2019, was \$55,674.

The Village entered into an agreement with Verizon Wireless in 2007. The initial term was for five years, expiring October 5, 2012. It was renewed for the second five-year term ending in 2021. This agreement is renewable for two additional five-year terms. Fees for the renewal year were \$40,000 with fees increasing by 4% every year thereafter. Fee income under this agreement for the year ended December 31, 2019, was \$57,042.

The Village entered into an agreement with Cingular (AT&T) in 2001. It was renewed for an additional five-year term during 2016. This agreement is renewable for one additional five-year term. Fees for the renewal year were \$52,739 increasing by 4% every year thereafter. Fee income under this agreement for the year ended December 31, 2019, was \$59,324.

The Village entered into an agreement with T-Mobile in 2001. It was renewed for an additional five-year term during 2016. This agreement is renewable for one additional five-year term. Fees for the renewal year were \$44,310 increasing by 4% every year thereafter. Fee income under this agreement for the year ended December 31, 2019, was \$49,843.

Future minimum lease payments receivable in conjunction with the leases noted above are as follows:

Year:	Amount
2020	\$ 284,758
2021	117,857
2022	58,406
2023	60,743
2024	63,172
Total	\$ 584,936

6. Other Notes (continued)

C. Claims and Judgments

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

D. 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; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

E. Commitments

The Village entered into an intergovernmental agreement with the Milwaukee Metropolitan Sewerage District for purposes related to reconstructing a sewer line on Green Bay Court. The Village has agreed to pay engineering fees for this project. The Milwaukee Metropolitan Sewerage District will reimburse the Village for all expenses paid for the project. During the year ended December 31, 2019, the Village incurred additional expenses of \$536,951 in relation to this project, for a total cost to date of \$666,179. As of December 31, 2019, the Village has not completed the final payment to the contractor, which has a remaining estimated cost of \$77,759.

F. Subsequent Events

Management of the Village has evaluated subsequent events for possible inclusion or disclosure through the date the financial statements were available for distribution, April 1, 2020. There were no events that required recognition or disclosure.

7. Effect of New Accounting Standards on Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest-Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interest—An Amendment of GASB Statements No. 14 and No. 61*
- Statement No. 91, *Conduit Debt Obligations*

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

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Revenues
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes Levied by Village:				
General property tax	\$ 2,487,529	\$ 2,487,529	\$ 2,487,529	\$ ---
Operating grants and Contributions:				
Intergovernmental:				
State shared revenue	76,776	76,776	76,776	---
Highway aid for local streets	299,194	299,194	299,058	(136)
State aid - Police	---	---	1,760	1,760
State aid - OWI grant	---	---	39,089	39,089
Personal property aid	5,500	5,500	5,500	---
Computer aid	---	---	123	123
Fire insurance dues	---	---	15,251	15,251
Recycling grant revenue	10,811	10,811	10,826	15
Tree grant	---	---	2,940	2,940
Contract revenue	21,162	21,162	19,603	(1,559)
Total intergovernmental	413,443	413,443	470,926	57,483
Licenses, Fees and Permits:				
Business licenses	1,400	1,400	1,489	89
Dog and cat licenses	500	500	714	214
Building permits	39,125	39,125	38,504	(621)
Admin fee - building permits	5,000	5,000	8,291	3,291
Electrical permits	6,500	6,500	5,678	(822)
Admin fee - electric permits	1,350	1,350	1,425	75
Plumbing permits	5,310	5,310	4,973	(337)
Admin fee - plumbing permits	1,000	1,000	1,305	305
Heating permits	5,259	5,259	6,330	1,071
Admin fee - heating permits	645	645	720	75
Miscellaneous permits	12,000	12,000	24,754	12,754
Board of appeals fees	1,000	1,000	1,100	100
Alarm permits and fees	600	600	1,345	745
Alarm forfeitures	1,224	1,224	1,200	(24)
Fire alarm forfeitures	1,224	1,224	1,175	(49)
Special service job orders	---	---	20,185	20,185
Total licenses, fees and permits	82,137	82,137	119,188	37,051

Required Supplementary Information

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Revenues
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and Costs:				
Justice court fines and costs	\$ 130,000	\$ 130,000	\$ 135,350	\$ 5,350
Revenue From Use of Village Money and Property:				
Interest on investments	20,000	20,000	18,570	(1,430)
Interest on delinquent taxes	10,000	10,000	12,772	2,772
Total revenue from use of Village money and property	30,000	30,000	31,342	1,342
General Revenues:				
Payment in lieu of taxes	58,302	58,302	57,890	(412)
Franchise fees	272,824	272,824	273,573	749
Donations	---	---	1,000	1,000
Other general revenue	20,000	20,000	38,951	18,951
Total general revenues	351,126	351,126	371,414	20,288
Total general fund revenues	\$ 3,494,235	\$ 3,494,235	\$ 3,615,749	\$ 121,514

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Village Board:				
Publishing and supplies	\$ 750	\$ 750	\$ 701	\$ 49
Dues	2,045	2,045	1,905	140
Public education	1,400	1,400	1,288	112
Total Village Board	4,195	4,195	3,894	301
Administration:				
Salaries and wages	96,827	96,827	96,750	77
Group life insurance	119	119	36	83
Retirement benefits	6,343	6,343	6,334	9
Social Security	7,408	7,408	7,222	186
Health insurance	7,843	7,843	7,239	604
Income continuation insurance	160	160	---	160
Contractual services	3,030	3,030	1,604	1,426
Dues	1,080	1,080	1,197	(117)
Travel and training expense	2,550	2,550	2,860	(310)
Property tax connections	---	---	9,007	(9,007)
Total administration	125,360	125,360	132,249	(6,889)
Clerk-Treasurer:				
Salaries and wages	109,113	109,113	111,748	(2,635)
Part-time wages	4,708	4,708	---	4,708
Group life insurance	53	53	10	43
Retirement benefits	7,147	7,147	7,051	96
Social Security	8,348	8,348	9,148	(800)
Health insurance	29,760	29,760	18,809	10,951
Income continuation insurance	98	98	---	98
Contractual services	20,400	20,400	12,131	8,269
Dues	200	200	95	105
Travel and training expense	2,550	2,550	2,439	111
Total clerk-treasurer	182,377	182,377	161,431	20,946
Assessments:				
Contractual services	12,500	12,500	13,400	(900)
Elections:				
Salaries and wages	2,118	2,118	481	1,637
Part-time wages	2,650	2,650	2,404	246
Life insurance	1,002	1,002	---	1,002
Retirement	---	---	20	(20)
Social Security	---	---	22	(22)
Health insurance	---	---	67	(67)
Equipment maintenance	925	925	763	162
Other supplies	1,250	1,250	219	1,031
Total elections	7,945	7,945	3,976	3,969

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General Government: (continued)				
Village Attorney:				
Professional services	\$ 32,236	\$ 32,236	\$ 40,727	\$ (8,491)
Central Services:				
Telephone	6,000	6,000	4,205	1,795
Office equipment maintenance	800	800	1,707	(907)
Contractual services	8,620	8,620	7,745	875
Office supplies	8,160	8,160	8,366	(206)
Publications	---	---	199	(199)
Other supplies	30,784	30,784	35,788	(5,004)
Total central services	54,364	54,364	58,010	(3,646)
Engineering and Planning:				
Professional services	27,500	27,500	27,208	292
Audit:				
Professional services	15,500	15,500	14,450	1,050
Buildings - Village Hall:				
Salaries and wages	12,708	12,708	10,773	1,935
Part-time wages	7,500	7,500	4,060	3,440
Life insurance	9	9	3	6
Retirement	832	832	1,061	(229)
Social Security	1,579	1,579	1,581	(2)
Health insurance	2,951	2,951	3,126	(175)
Income continuation insurance	18	18	---	18
Utilities - heat	6,500	6,500	4,990	1,510
Utilities - other	15,500	15,500	16,621	(1,121)
Building maintenance	5,000	5,000	4,281	719
Grounds maintenance materials	4,000	4,000	1,335	2,665
Contractual services	11,000	11,000	14,362	(3,362)
Cleaning supplies	---	---	392	(392)
Total building - Village Hall	67,597	67,597	62,585	5,012
Bonds and Insurance:				
General liability insurance	29,704	29,704	32,809	(3,105)
Fire and extended coverage	3,516	3,516	6,621	(3,105)
Workers' compensation insurance	37,916	37,916	41,204	(3,288)
Employee bonds	200	200	100	100
Public official liability insurance	2,951	2,951	3,085	(134)
Total bonds and insurance	74,287	74,287	83,819	(9,532)
Wisconsin Humane Society	2,793	2,793	2,812	(19)
Total general government	606,654	606,654	604,561	2,093

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Safety:				
Police Department:				
Salaries and wages - officers	\$ 838,248	\$ 838,248	\$ 848,951	\$ (10,703)
Salaries - vehicle maintenance	8,802	8,802	6,628	2,174
Vacation, holiday and sick pay	36,941	36,941	26,202	10,739
Salaries - dispatchers	39,032	39,032	27,066	11,974
Group life insurance	529	529	115	414
Retirement benefits	95,181	95,181	104,778	(9,597)
Social Security	71,152	71,152	77,022	(5,870)
Health insurance	139,293	139,293	131,715	7,578
Overtime pay	60,000	60,000	89,168	(29,168)
Professional services	2,750	2,750	2,008	742
Telephone	10,700	10,700	9,714	986
Vehicle maintenance	9,000	9,000	18,700	(9,700)
Radio and alarm maintenance	1,750	1,750	---	1,750
Other equipment maintenance	1,000	1,000	1,380	(380)
Contractual services	145,181	145,181	160,289	(15,108)
Office supplies	3,000	3,000	2,019	981
Publications	500	500	---	500
Dues	265	265	265	---
Uniforms and special clothing	8,000	8,000	4,289	3,711
Travel and training expense	5,000	5,000	5,616	(616)
Fuel and supplies	27,168	27,168	28,855	(1,687)
Other supplies	9,000	9,000	12,408	(3,408)
Total police department	1,512,492	1,512,492	1,557,180	(44,688)
Fire Department:				
Contractual services	397,215	397,215	410,529	(13,314)
Total fire department	397,215	397,215	410,529	(13,314)
Building Inspections:				
Contractual services	46,000	46,000	44,563	1,437
Municipal Justice Court:				
Professional services - judge	4,284	4,284	3,900	384
Professional services - other	24,600	24,600	24,600	---
Dues	140	140	145	(5)
Training and travel	2,000	2,000	986	1,014
Total municipal justice court	31,024	31,024	29,631	1,393
Total public safety	1,986,731	1,986,731	2,041,903	(55,172)

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Works:				
Machinery and Equipment:				
Salaries and wages	\$ 50,471	\$ 50,471	\$ 45,494	\$ 4,977
Vacation, holiday and sick pay	54,552	54,552	103,882	(49,330)
Superintendent salary	68,672	68,672	71,023	(2,351)
Life insurance	113	113	92	21
Retirement benefits	11,093	11,093	10,729	364
Social Security	13,363	13,363	16,926	(3,563)
Health insurance	39,625	39,625	34,265	5,360
Income continuation insurance	260	260	---	260
Contractual services	7,000	7,000	14,624	(7,624)
Dues	175	175	---	175
Uniforms and special clothing	4,500	4,500	3,826	674
Training and travel expense	150	150	390	(240)
Tools	4,000	4,000	4,279	(279)
Fuel and supplies	29,668	29,668	39,174	(9,506)
Other supplies	35,115	35,115	40,910	(5,795)
Total machinery and equipment	318,757	318,757	385,614	(66,857)
Public Works Building:				
Salaries and wages	8,472	8,472	8,977	(505)
Life insurance	6	6	5	1
Retirement benefits	565	565	589	(34)
Social Security	688	688	717	(48)
Health insurance	1,967	1,967	1,884	83
Income continuation insurance	13	13	---	13
Utilities - heat	7,500	7,500	7,051	449
Utilities - other	6,500	6,500	6,442	58
Building maintenance	4,000	4,000	4,603	(603)
Contractual services	2,500	2,500	2,720	(220)
Cleaning supplies	---	---	131	(131)
Other supplies	---	---	1,682	(1,682)
Total public works building	32,181	32,181	34,801	(2,620)

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Public Works: (continued)				
Street Maintenance:				
Salaries and wages - streets	25,344	25,344	20,020	5,324
Salaries and wages - snow and ice	32,887	32,887	34,940	(2,053)
Salaries and wages - bridges and drainage	32,688	32,688	33,813	(1,125)
Life insurance	57	57	32	25
Retirement benefits	5,549	5,549	6,141	(592)
Social Security	6,680	6,680	7,536	(856)
Health insurance	19,670	19,670	22,760	(3,090)
Income continuation insurance	127	127	---	127
Contractual services	7,000	7,000	6,697	303
Supplies - road repair	26,244	26,244	24,706	1,538
Supplies - street signs	1,500	1,500	1,245	255
Supplies - street protection	1,500	1,500	962	538
Supplies - snow and ice control	29,000	29,000	21,777	7,223
Supplies - bridges and drainage	9,000	9,000	19,170	(10,170)
Total street maintenance	197,246	197,246	198,799	(2,553)
Resident Maintenance				
Salaries and wages	---	---	53	(53)
Retirement benefits	---	---	4	(4)
Social Security	---	---	4	(4)
Health insurance	---	---	19	(19)
Other supplies	---	---	187	(187)
Total residence maintenance	---	---	267	(267)
Total public works	548,184	548,184	620,481	(72,297)
Culture, recreation and education				
Library services	58,414	58,414	60,315	(1,901)
Health, Conservation and Sanitation:				
Refuse - Solid Waste:				
Salaries and wages - yard refuse	33,887	33,887	35,768	(1,881)
Life insurance	23	23	18	5
Retirement	2,220	2,220	2,344	(124)
Social Security	2,672	2,672	2,767	(95)
Health insurance	7,868	7,868	6,440	1,428
Income continuation insurance	52	52	---	52
Contracted services - landfill (house)	170,000	170,000	170,370	(370)
Contracted services - landfill (yard)	2,000	2,000	3,977	(1,977)
Other supplies	500	500	---	500
Total refuse - Solid waste	219,222	219,222	221,684	(2,462)

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - General Fund Expenditures
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Health, Conservation and Sanitation: (continued)				
Board of Health:				
Other contracted services	\$ 10,128	\$ 10,128	\$ 10,128	\$ ---
Forestry, Deer and Weed Control:				
Salaries and wages - Deer	15,791	15,791	12,790	3,001
Salaries and wages - forestry	37,542	37,542	47,512	(9,970)
Salaries and wages - weed control	14,442	14,442	11,525	2,917
Part time wages - weed control	5,500	5,500	6,772	(1,272)
Life insurance	46	46	---	46
Retirement	4,439	4,439	4,572	(133)
Social Security	5,762	5,762	6,147	(385)
Health insurance	15,736	15,736	16,152	(416)
Income continuation insurance	100	100	---	100
Contracted services - deer	5,000	5,000	9,360	(4,360)
Supplies - deer	600	600	505	95
Supplies - forestry	---	---	366	(366)
Supplies - weed control	500	500	---	500
Total forestry, deer and weed control	105,458	105,458	115,701	(10,243)
Total health, conservation and sanitation	334,808	334,808	347,513	(12,705)
Other Expenditures				
Other expenditures	10,000	10,000	2,753	7,247
Capital Outlay				
General Government	6,830	6,830	---	6,830
Public Works Machinery & Eqpt	197,885	197,885	158,238	39,647
Public Works Streets	152,513	152,513	127,732	24,781
Total capital outlay	357,228	357,228	285,970	71,258
Total general fund expenditures	\$ 3,902,019	\$ 3,902,019	\$ 3,963,496	\$ (61,477)

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Budgetary Comparison Schedule - Sewer Fund
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Operating grants and contributions:				
Intergovernmental:				
Reimbursements	\$ ---	\$ ---	\$ 550,824	\$ 550,824
Other				
Lateral connection fees	---	---	2,500	2,500
Public charges for services:				
Sewer service charges	275,438	275,438	275,004	(434)
Total revenues	275,438	275,438	828,328	550,390
Expenditures:				
Public Works:				
Sanitary Sewer:				
Salaries and wages	40,737	40,737	34,609	6,128
Life insurance	23	23	5	18
Retirement benefits	2,668	2,668	2,255	413
Social Security	3,197	3,197	2,583	614
Health insurance	8,795	8,795	7,821	974
Income continuation insurance	52	52	---	52
Contractual services	107,000	107,000	118,197	(11,197)
Other supplies	20,000	20,000	1,403	18,597
Total sanitary sewer	182,472	182,472	166,873	15,599
Capital Outlay				
Public Works sanitary sewer	75,000	75,000	581,624	(506,624)
Total expenditures	257,472	257,472	748,497	(491,025)
Deficiency of revenues under expenditures	17,966	17,966	79,831	(61,865)
Other Financing Sources				
Face value of loans issued	75,000	75,000	---	75,000
Net changes in fund balance	92,966	92,966	79,831	13,135
Fund Balance, January 1	138,634	138,634	138,634	---
Fund Balance, December 31	\$ 231,600	\$ 231,600	\$ 218,465	\$ 13,135

See Independent Auditors' Report.
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VILLAGE OF RIVER HILLS
River Hills, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset (Liability)
Year Ended December 31, 2018

Wisconsin Retirement System
Last 10 Fiscal Years*

	Village's proportionate share of the net pension asset (liability)	Village's covered payroll	Net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension asset (liability)
2019	0.012824%	\$ 1,499,280	30.43%	96.45%
2018	0.012395%	1,421,710	25.89%	102.93%
2017	0.012230%	1,401,698	7.19%	99.12%
2016	0.012782%	1,375,966	15.10%	98.20%
2015	0.013000%	1,359,770	24.15%	102.74%

*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years prior to the enactment of this pronouncement are not required to be presented in this schedule.

Schedule of Employer Contributions
Year Ended December 31, 2018

Wisconsin Retirement System
Last 10 Fiscal Years*

	Contributions in relation to the contractually required contributions		Contribution deficiency (excess)	Contributions as a percentage of covered payroll	
	Contractually required contributions	Contractually required contributions		Village's covered payroll	percentage of covered payroll
2019	\$ 137,356	\$ 137,356	\$ ---	\$ 1,499,280	9.16%
2018	129,944	129,944	---	1,421,710	9.14%
2017	116,633	116,633	---	1,401,698	8.32%
2016	116,592	116,592	---	1,375,966	8.47%
2015	121,436	121,436	---	1,359,770	8.93%

*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years prior to the enactment of this pronouncement are not required to be presented in this schedule.

See Independent Auditors' Report and Notes to Required Supplementary Information

VILLAGE OF RIVER HILLS
River Hills, Wisconsin

Schedule of Proportionate Share of the Net OPEB Asset (Liability)
Year Ended December 31, 2018

Local Retiree Life Insurance
Last 10 Fiscal Years*

	Village's proportionate share of the net OPEB asset (liability)	Village's covered employee payroll	Net OPEB asset (liability) as a percentage of covered-employee payroll	Plan fiduciary net position as a percentage of total OPEB asset (liability)
2019	0.029557%	\$ 1,296,000	5.88%	48.69%
2018	0.033076%	1,390,940	7.15%	44.81%

*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years prior to the enactment of this pronouncement are not required to be presented in this schedule.

Schedule of Employer Contributions
Year Ended December 31, 2018

Local Retiree Life Insurance
Last 10 Fiscal Years*

	Contributions in relation to the contractually required contributions		Contribution deficiency (excess)	Contributions as a percentage of covered-employee payroll	
	Contractually required contributions	Contractually required contributions		Village's covered-employee payroll	percentage of covered-employee payroll
2019	\$ 569	\$ 569	\$ ---	\$ 1,296,000	0.04%
2018	628	628	---	1,390,940	0.05%

*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

GASB requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years prior to the enactment of this pronouncement are not required to be presented in this schedule.

See Independent Auditors' Report and Notes to Required Supplementary Information

Notes to Required Supplementary Information
December 31, 2019

1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund.

The Village adopted annual Governmental Fund Budgets for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Funds. These budgets are adopted in accordance with State Statutes. All annual appropriations lapse at year-end except for certain non-lapsing funds specifically designated by the Board. Budgetary control is exercised at the individual function level for each fund.

The budget amounts presented include any amendments made during the year. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Board action. There were no supplemental appropriations during the year.

2. Excess Expenditures Over Appropriations

The Village had the following expenditures in excess of appropriations as presented in the "Budgetary Comparison Schedule – General Fund Expenditures":

Public safety	\$	55,172
Public works		72,297
Culture, recreation and education		1,901
Health, conservation and sanitation		12,705

The excess expenditures were absorbed by revenues in excess of budget and available fund balances.

The Village had the following expenditures in excess of appropriations as presented in the "Budgetary Comparison Schedule – Special Revenue/Sewer Fund":

Contractual Services	\$	11,197
Capital outlay		506,624

The excess expenditures were absorbed by revenues in excess of budget.

Notes to Required Supplementary Information
December 31, 2019
(Continued)

3. Budgetary Process

The Village uses the following procedures in establishing the budgetary data reflected in the financial statements:

- The Village Clerk/Treasurer/Manager requests proposed details of expenditures from the various departments for the following fiscal year. Proposed department expenditures are submitted to the Village Clerk/Treasurer/Manager who determines the details of required revenues, and in turn, submits the proposed revenues and expenditures to the Village Board.
- Upon receipt of the proposed budget, public notice is given that the proposed budget is open for inspection.
- The budget for Governmental Funds is legally enacted by the Village Board resolution early in December.
- Formal budgetary integration is employed as a management control device during the year for the General Funds.
- The operating budgets for the General, Debt Service, Capital Projects and Special Revenue Funds are adopted on a basis consistent with GAAP.
- Budgetary information as presented in the financial statements is derived from:

1. The annual operating budget as originally adopted by the Village Board.
2. Individual amendments to the original budget as approved by Village Board resolutions.

4. WRS Information

There were no changes to benefit terms for any participating employee in the 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.

5. OPEB Information

There were no changes of benefit terms for any participating employee in the LRLIF.

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 OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

VILLAGE OF RIVER HILLS
 Milwaukee County, Wisconsin
Balance Sheet - Nonmajor Governmental Funds
Capital Project Funds
 December 31, 2019

	Capital Fund	Annual Road Program	Police Department	Range Line Road Bridge	Total Capital Project Funds
Assets:					
Cash and investments	\$ ---	\$ ---	\$ 51,503	\$ ---	\$ 51,503
Liabilities, deferred inflows of resources and fund balance (deficit):					
Liabilities:					
Due to general fund	\$ 87,792	\$ 269,654	\$ ---	\$ ---	\$ 357,446
Fund Balance (deficit):					
Committed	---	---	51,503	---	51,503
Unassigned	(87,792)	(269,654)	---	---	(357,446)
Total fund balance (deficit)	(87,792)	(269,654)	51,503	---	(305,943)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ ---	\$ ---	\$ 51,503	\$ ---	\$ 51,503

Supplementary Financial Information

See Independent Auditors' Report.

VILLAGE OF RIVER HILLS
Milwaukee County, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Project Funds
Year Ended December 31, 2019

	Capital Fund	Annual Road Program	Police Department	Line Road Bridge	Total Capital Project Funds
Revenues:					
Taxes levied by Village	---	---	---	---	---
Total revenues	---	---	---	---	---
Expenditures:					
Current:					
Public safety	35,881	---	15,904	---	51,785
Capital Outlay	---	---	70,451	---	70,451
Total expenditures	35,881	---	86,355	---	122,236
Deficiency of revenues under expenditures	(35,881)	---	(86,355)	---	(122,236)
Other Financing Sources (Uses):					
Face value of loans issued	28,744	---	94,545	---	123,289
Operating transfers in	39,647	56,246	---	87,195	183,088
Total other financing sources	68,391	56,246	94,545	87,195	306,377
Net change in fund balance (deficit)	32,510	56,246	8,190	87,195	184,141
Fund Balance (deficit), January 1	(120,302)	(325,900)	43,313	(87,195)	(490,084)
Fund Balance (deficit), December 31	\$(87,792)	\$(269,654)	\$51,503	---	\$(305,943)

FORM OF LEGAL OPINION

(See following pages.)

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

July 7, 2020

Re: Village of River Hills, Wisconsin ("Issuer")
\$3,240,000 General Obligation Promissory Notes, Series 2020A,
dated July 7, 2020 ("Notes")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$165,000	___%
2022	255,000	___
2023	310,000	___
2024	315,000	___
2025	320,000	___
2026	325,000	___
2027	390,000	___
2028	390,000	___
2029	390,000	___
2030	380,000	___

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

The Notes maturing on March 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2026 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

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

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

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of River Hills, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$3,240,000 General Obligation Promissory Notes, Series 2020A, dated July 7, 2020 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on May 20, 2020, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Promissory Notes, Series 2020A (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated June 25, 2020 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt

obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Village Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Village of River Hills, Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Manager/Clerk/Treasurer of the Issuer who can be contacted at 7650 North Pheasant Lane, River Hills, Wisconsin 53217, phone (414) 352-8213, fax (414) 247-2308.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

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

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

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

Section 5. Reporting of Listed Events.

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

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

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 7th day of July, 2020.

(SEAL)

J. Stephen Anderson
President

Tammy LaBorde
Village Manager/Clerk/Treasurer

NOTICE OF SALE

**\$3,240,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A
VILLAGE OF RIVER HILLS, WISCONSIN**

Bids for the purchase of \$3,240,000* General Obligation Promissory Notes, Series 2020A (the "Notes") of the Village of River Hills, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on June 24, 2020, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on May 20, 2020 (the "Parameters Resolution"), which authorized the Village Manager or Village President to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on June 24, 2020, neither the Village Manager or the Village President will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

PURPOSE

The Notes are authorized pursuant to Section 67.12(12), Wisconsin Statutes, by the Village of River Hills, Wisconsin (the "Village"), to raise funds for public purposes, including paying the cost of projects and equipment included in the Village's capital improvement budget and refunding certain outstanding general obligations of the Village as more fully described herein. The Notes are general obligations of the Village for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Notes will be dated July 7, 2020, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$165,000	2025	\$320,000	2029	\$390,000
2022	255,000	2026	325,000	2030	380,000
2023	310,000	2027	390,000		
2024	315,000	2028	390,000		

ADJUSTMENT OPTION

* The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2021, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The Village may select a bank or trust company to act as paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL PREPAYMENT

At the option of the Village, the Notes maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 or any date thereafter, at a price of par plus accrued interest.

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

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

DELIVERY

On or about July 7, 2020, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Notes must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

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

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$3,207,600 nor more than \$3,434,400 plus accrued interest on the principal sum of \$3,240,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$64,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 3.00% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

The winning bidder will advise the Village promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

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

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

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

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

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

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

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

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

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

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

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Board of Trustees

Tammy LaBorde, Village Manager
Village of River Hills, Wisconsin

BID FORM

Village of River Hills, Wisconsin

June 24, 2020

RE: \$3,240,000* General Obligation Promissory Notes, Series 2020A (the "Notes")

DATED: July 7, 2020

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$3,207,600 nor more than \$3,434,400) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2021	_____ % due	2025	_____ % due	2029
_____ % due	2022	_____ % due	2026	_____ % due	2030
_____ % due	2023	_____ % due	2027		
_____ % due	2024	_____ % due	2028		

* The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each, up to a maximum of \$100,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

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

A good faith deposit ("Deposit") in the amount of \$64,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 7, 2020.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

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

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

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

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 7, 2020 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Village of River Hills, Wisconsin, on June 24, 2020.

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