

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 13, 2020

Interest on the Bonds is includable in gross income of the recipient for United States and State of Wisconsin income tax purposes according to present federal and Wisconsin laws, regulations, rulings and decisions.

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

VILLAGE OF WINDSOR, WISCONSIN (Dane County)

\$1,915,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

BID OPENING: November 19, 2020, 10:30 A.M., C.T. **CONSIDERATION:** November 19, 2020, 5:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$1,915,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds") of the Village of Windsor, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the Village, as more fully described herein. The Bonds 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 Husch Blackwell LLP, Milwaukee, Wisconsin.

DATE OF BONDS: December 10, 2020

MATURITY: March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$135,000	2027	\$145,000	2032	\$155,000
2023	140,000	2028	145,000	2033	160,000
2024	140,000	2029	145,000	2034	160,000
2025	140,000	2030	150,000		
2026	145,000	2031	155,000		

**MATURITY
ADJUSTMENTS:**

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

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

September 1, 2021 and semiannually thereafter.

OPTIONAL

REDEMPTION:

Bonds maturing on March 1, 2030 and thereafter are subject to call for prior optional redemption on March 1, 2029 and any date thereafter, at a price of par plus accrued interest.

MINIMUM BID:

\$1,891,063.

MAXIMUM BID:

\$2,029,900.

**GOOD FAITH
DEPOSIT:**

A good faith deposit in the amount of \$38,300 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL:

Husch Blackwell 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 nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. 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 Bonds.

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

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

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

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

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

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

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

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VILLAGE OF WINDSOR VILLAGE BOARD

		<u>Term Expires</u>
Bob Wipperfurth	Village President	April 2021
Don Madelung	Village Trustee	April 2022
Kristine Schmidt	Village Trustee	April 2021
Monica Smith	Village Trustee	April 2022
Bruce Stravinski	Village Trustee	April 2021

ADMINISTRATION

Tina Butteris, Village Administrator
Jamie Rybarczyk, Deputy Administrator / Director of Economic Development
Sindy Schwenn, Village Treasurer/Human Resources Benefits Manager
Christine Capstran, Village Clerk

PROFESSIONAL SERVICES

Axley Brynson, LLP, Village Attorney, Madison, Wisconsin
Husch Blackwell 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 Windsor, Wisconsin (the "Village") and the issuance of its \$1,915,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the Board of Trustees on November 19, 2020.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 10, 2020. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing September 1, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2030 shall be subject to optional redemption prior to maturity on March 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village.

*Preliminary, subject to change.

If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of refunding certain obligations of the Village as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
State Trust Fund Loan (The "October STFL")	10/4/19	1/5/21	Par	2021-29	3.75%	\$1,300,000
State Trust Fund Loan (The "December STFL")	12/13/19	1/5/21	Par	2021-29	3.75%	<u>700,000</u>
Total Principal Being Refunded						<u>\$2,000,000</u>

Proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$1,915,000	
Transfers from Prior Issue Debt Service Funds	<u>250,374</u>	
Total Sources		\$2,165,374

Uses

Total Underwriter's Discount	\$23,938	
Costs of Issuance	48,850	
Deposit to Current Refunding Fund	2,089,281	
Rounding Amount	<u>3,305</u>	
Total Uses		\$2,165,374

*Preliminary, subject to change

SECURITY

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

RATING

General obligation debt of the Village, with the exception of any outstanding credit enhanced issues, is currently rated "AA/Stable" by S&P Global Ratings ("S&P").

The Village has requested a rating on the Bonds from S&P, 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 S&P. 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 Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, 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 Bonds 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 Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Village shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the Village shall execute and deliver a Continuing Disclosure Agreement, 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 Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities 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 Bonds will be furnished by Husch Blackwell LLP, of Milwaukee, Wisconsin, bond counsel to the Village. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAXABILITY OF INTEREST

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this 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 Johnson Block and Company, Inc., Certified Public Accountants, Madison, 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 Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

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

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

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

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 Bonds for resale prior to maturity.

Continuing Disclosure: A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such

failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

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

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

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

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

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

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the Village and its financial condition will depend on future developments, which

are highly uncertain and cannot be predicted by the Village, including the duration of the outbreak and measures taken to address the outbreak.

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

Also on April 16, 2020, 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 Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 6, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The Village's allocation is \$131,637. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. On September 22, 2020, Emergency Order #1 was extended through November 21, 2020.

On October 6, 2020, Emergency Order #3 was issued, which limits public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. 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

2020 Equalized Value	\$1,048,228,900
2020 Equalized Value Reduced by Tax Increment Valuation	\$1,025,360,000
2020 Assessed Value	\$935,951,400

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$ 902,495,500	86.097%
Commercial	101,644,700	9.697%
Manufacturing	8,910,000	0.850%
Agricultural	3,362,900	0.321%
Undeveloped	3,213,600	0.307%
Ag Forest	374,900	0.036%
Forest	151,900	0.014%
Other	22,820,200	2.177%
Personal Property	5,255,200	0.501%
Total	<u>\$ 1,048,228,900</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2016	\$641,073,400	\$717,943,200	6.72%
2017	835,347,800	805,272,400	12.16%
2018	876,173,000	910,980,300	13.13%
2019	915,152,200	1,000,157,500	9.79%
2020	935,951,400	1,048,228,900	4.81%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2020 Equalized Value¹	Percent of Village's Total Equalized Value
Windsor Crossing Multi Family LLC	Apartment rentals	\$10,452,259	1.00%
Moeller Properties LLC	Commercial truck sales	9,472,405	0.90%
North Town Homes LLC	Apartment rentals	7,390,062	0.71%
WISL Investments Inc	Parkside assisted living	5,113,853	0.49%
Windsor Commons LLC	Apartment rentals	5,013,505	0.48%
RSQ LLC (Clack Corp.)	Office molded plastics	3,303,549	0.32%
Individual	Rental properties	3,155,938	0.30%
Meyer Holding LLC (Neesvig's)	Meat, seafood, cheese supplier	3,151,346	0.30%
Windsor Golf Ventures	Golf course	3,130,739	0.30%
Windsor Pond LLC	Apartment rentals	2,729,793	0.26%
Total		\$ 52,913,449	5.05%

Village's Total 2020 Equalized Value² \$1,048,228,900

Source: The Village.

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

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	<u><u>\$ 29,710,000</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by water revenues	<u><u>\$ 377,347</u></u>
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* Preliminary, subject to change.

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

Village of Windsor, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/10/2020)

Dated Amount	Promissory Notes Bank Note	Taxable Refunding Bonds Series 2015C		Corporate Purpose Bonds Series 2016A		Promissory Notes Bank Note
		10/07/2015 \$3,000,000	10/01	06/21/2016 \$1,970,000	02/02/2017 \$550,000	
Maturity		10/01		03/01	02/02	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest
2021	50,000	6,175	100,000	113,844	100,000	23,560
2022	50,000	4,940	125,000	110,844	100,000	21,060
2023	50,000	3,705	125,000	107,094	105,000	18,366
2024	50,000	2,477	125,000	103,344	110,000	15,410
2025	50,000	1,235	150,000	98,344	110,000	12,385
2026			175,000	92,344	115,000	9,291
2027			200,000	85,344	110,000	6,060
2028			200,000	77,344	120,000	3,150
2029			200,000	69,344	90,000	945
2030			225,000	61,344		
2031			225,000	52,344		
2032			250,000	43,344		
2033			275,000	33,344		
2034			275,000	22,344		
2035			275,000	11,344		
2036						
2037						
2038						
2039						
2040	250,000	18,532	2,925,000	1,081,906	960,000	110,228
					385,000	40,850

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Village of Windsor, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/10/2020)

Dated Amount	Refunding Bonds Series 2017A		Corporate Purpose Bonds Series 2018A		Taxable Refunding Notes Series 2018B		Corporate Purpose Bonds Series 2019A		Corporate Purpose Bonds Series 2020A	
	07/12/2017 \$1,180,000	03/01	09/05/2018 \$5,975,000	09/01	09/05/2018 \$2,240,000	09/01	06/26/2019 \$6,835,000	06/01	03/19/2020 \$7,765,000	03/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	65,000	24,019	165,000	174,894	450,000	39,525	295,000	189,075	125,000	262,723
2022	65,000	22,995	205,000	169,944	450,000	26,475	260,000	180,750	375,000	175,800
2023	65,000	21,890	185,000	163,794	440,000	13,200	360,000	171,450	450,000	165,300
2024	65,000	20,688	265,000	158,244			445,000	159,375	700,000	148,050
2025	65,000	19,388	255,000	150,294			465,000	145,725	875,000	124,425
2026	70,000	17,950	395,000	142,644			525,000	130,875	225,000	107,925
2027	70,000	16,375	400,000	130,794			620,000	113,700	200,000	101,550
2028	70,000	14,713	425,000	118,794			650,000	94,650	225,000	95,175
2029	60,000	13,088	430,000	106,044			675,000	74,775	250,000	89,300
2030	65,000	11,444	325,000	93,144			675,000	54,525	375,000	83,050
2031	65,000	9,656	325,000	83,394			725,000	33,525	375,000	75,550
2032	65,000	7,788	325,000	73,644			755,000	11,325	425,000	67,550
2033	70,000	5,763	325,000	63,894					425,000	59,050
2034	70,000	3,575	325,000	54,144					375,000	51,050
2035	75,000	1,219	325,000	43,988					375,000	43,550
2036			325,000	33,425					375,000	36,050
2037			340,000	22,863					375,000	28,550
2038			350,000	11,813					400,000	20,800
2039									415,000	12,650
2040									425,000	4,250
	1,005,000	210,548	5,690,000	1,795,750	1,340,000	79,200	6,450,000	1,359,750	7,765,000	1,752,348

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Village of Windsor, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/10/2020)

Taxable Refunding Bonds
2020B

Dated Amount	12/10/2020 \$1,915,000*		
Maturity	03/01		
Calendar Year Ending	Principal	Estimated Interest	
2021	0	19,225	
2022	135,000	26,079	
2023	140,000	25,115	
2024	140,000	24,030	
2025	140,000	22,805	
2026	145,000	21,343	
2027	145,000	19,639	
2028	145,000	17,718	
2029	145,000	15,579	
2030	150,000	13,218	
2031	155,000	10,624	
2032	155,000	7,834	
2033	160,000	4,840	
2034	160,000	1,640	
2035	1,050,000		
2036	700,000	69,475	
2037	715,000	51,413	
2038	750,000	32,613	
2039	415,000	12,650	
2040	425,000	4,250	
	1,915,000	229,686	

* Preliminary, subject to change.

Calendar Year Ending	% Paid	Principal Outstanding	Total P & I	Total Interest	Total Principal
2021	5.65%	28,030,000	2,560,644	880,644	1,680,000
2022	12.62%	25,960,000	2,830,556	760,556	2,070,000
2023	19.94%	23,785,000	2,880,876	705,876	2,175,000
2024	27.03%	21,680,000	2,747,509	642,509	2,105,000
2025	34.82%	19,365,000	2,895,710	580,710	2,315,000
2026	40.56%	17,660,000	2,230,286	525,286	1,705,000
2027	46.62%	15,860,000	2,274,919	474,919	1,800,000
2028	52.79%	14,025,000	2,256,543	421,543	1,835,000
2029	59.02%	12,175,000	2,219,074	369,074	1,850,000
2030	65.13%	10,360,000	2,131,724	316,724	1,815,000
2031	71.42%	8,490,000	2,135,093	265,093	1,870,000
2032	78.07%	6,515,000	2,186,484	211,484	1,975,000
2033	82.30%	5,260,000	1,421,890	166,890	1,255,000
2034	86.35%	4,055,000	1,337,753	132,753	1,205,000
2035	89.89%	3,005,000	1,150,100	100,100	1,050,000
2036	92.24%	2,305,000	769,475	69,475	700,000
2037	94.65%	1,590,000	766,413	51,413	715,000
2038	97.17%	840,000	782,613	32,613	750,000
2039	98.57%	425,000	427,650	12,650	415,000
2040	100.00%	0	429,250	4,250	425,000
			36,434,560	6,724,560	29,710,000

Village of Windsor, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 12/10/2020)

Water System Revenue Bonds
(SDWFL)
Series 2013

Dated Amount	06/12/2013 \$532,103	
Maturity	05/01	
Calendar Year Ending	Principal	Interest
2021	27,069	4,202
2022	27,382	3,888
2023	27,698	3,570
2024	28,018	3,248
2025	28,341	2,922
2026	28,669	2,593
2027	29,000	2,260
2028	29,335	1,923
2029	29,674	1,582
2030	30,016	1,238
2031	30,363	889
2032	30,714	536
2033	31,069	179
	377,347	29,030

Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
27,069	4,202	31,271	350,278	7.17%	2021
27,382	3,888	31,269	322,896	14.43%	2022
27,698	3,570	31,267	295,198	21.77%	2023
28,018	3,248	31,266	267,180	29.20%	2024
28,341	2,922	31,264	238,839	36.71%	2025
28,669	2,593	31,262	210,170	44.30%	2026
29,000	2,260	31,260	181,170	51.99%	2027
29,335	1,923	31,258	151,835	59.76%	2028
29,674	1,582	31,256	122,162	67.63%	2029
30,016	1,238	31,254	92,145	75.58%	2030
30,363	889	31,252	61,782	83.63%	2031
30,714	536	31,250	31,069	91.77%	2032
31,069	179	31,248	0	100.00%	2033
377,347	29,030	406,377			

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	\$ 1,048,228,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 52,411,445
Less: General Obligation Debt (includes the Bonds)*	<u>(29,710,000)</u>
Unused Debt Limit*	<u><u>\$ 22,701,445</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2020 Equalized Value ²	% In Village	Total G.O. Debt ³	Village's Proportionate Share
Dane County	\$ 74,243,627,000	1.4119%	\$422,520,000	\$ 5,965,560
Madison Metro Sewerage District	55,713,006,105	1.8815%	116,388,853	2,189,856
DeForest Area School District	3,238,112,460	31.8087%	140,160,000	44,583,074
Sun Prairie School District	5,883,991,689	0.3098%	308,115,000	954,540
Madison Area Technical College District	100,506,585,126	1.0429%	172,105,000	<u>1,794,883</u>
Village's Share of Total Overlapping Debt				<u><u>\$55,487,913</u></u>

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

² Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,048,228,900	Debt/ Per Capita 8,240¹
Total General Obligation Debt (includes the Bonds)*	\$ 29,710,000	2.83%	\$ 3,605.58
Village's Share of Total Overlapping Debt	<u>55,487,913</u>	<u>5.29%</u>	<u>6,733.97</u>
Total*	\$ 85,197,913	8.13%	\$ 10,339.55

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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

¹ Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2015/16	\$3,236,482	100%	\$5.65
2016/17	3,511,330	100%	4.89
2017/18	3,774,912	100%	4.72
2018/19	3,873,066	100%	4.34
2019/20	3,973,914	100%	4.06

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. The County and the Village have not yet adopted such resolutions. The Village cannot predict whether and how much payment of property taxes will be impacted by COVID-19 this year or in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the Village's finances and payment of debt obligations, including the Bonds.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
2015/16	\$14.25	\$4.21	\$5.65	\$0.53	\$24.64
2016/17	11.95	3.52	4.89	0.17	20.53
2017/18	11.08	3.54	4.72	0.00	19.34
2018/19	10.99	3.37	4.34	0.00	18.70
2019/20	12.55	3.29	4.06	0.02	19.92

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

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.

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

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

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

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

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was established as a Town in 1840 and incorporated as a Village on November 9, 2015 and is governed by a five-member Board of Trustees, of which the Village President is a voting member. All are elected to two-year terms. The appointed Administrator, Clerk and Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 15 full-time and 63 part-time employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 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 \$61,577, \$65,711 and \$65,711, 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 \$216,333 for its proportionate share of the net pension liability of the WRS. The net pension asset 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 0.00608072% 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 Village has no active collective bargaining units.

OTHER POST EMPLOYMENT BENEFITS

The Village has 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 \$1,102. For Fiscal Year 2019, the Village reported a liability of \$147,606 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2019 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.058918% of the aggregate LRLIF net OPEB liability as of December 31, 2019.

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 Note 9 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Source: The Village's 2019 Comprehensive Annual Financial Report.

LITIGATION

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

Greywolf Partners ("Greywolf") is developing a residential health care facility in the Village of DeForest, located within the Village's Water Utility service area. On July 25, 2019, Greywolf petitioned the Wisconsin Tax Appeals Commission for a partial refund of a \$108,000 water impact fee the Village had imposed to fund construction of a water tower and a well, on the ground that the fee did not bear a reasonable relationship to the services for which the fee was imposed. Greywolf has not identified the amount of the refund to which it believes it is entitled. The Village moved to dismiss the petition and is awaiting a decision from the Commission on the motion.

Ultimately, if the Commission were to waive the water impact fee entirely, the Village's ability to make debt service payments on the Bonds would not be affected; however the Water Utility may need to borrow to finance the construction of the water tower and well.

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of September 30, 2020)

Fund	Total Cash and Investments
DMB Checking	\$ 254,101
DMB Checking CDA	10,513
Settlers Bank Checking	48,535
Settlers Bank Municipal Money Market	304,199
Settlers Reich and Tang	5,447,861
Settlers CDA Municipal Money Market	373,166
LGIP - Sewer Reserve/Replacement	759,169
LGIP - Water Reserve/Replacement	510,948
LGIP - Water Impact Fees	765,520
LGIP - Water - Capital Projects - Debt	26,727
Local Government Investment Pool #10 - Impact Fees	1,014,801
TD Ameritrade - General	970,840
TD Ameritrade - 2019A Proceed Account	2,273,441
TD Ameritrade - 2020A Proceed Account	5,286,597
Total Funds on Hand	<u><u>\$ 18,046,418</u></u>

ENTERPRISE FUNDS

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

	2017	2018	2019
Windsor Water Utility*			
Total Operating Revenues	\$ 614,883	\$ 751,502	\$ 803,353
Less: Operating Expenses	<u>(700,074)</u>	<u>(615,404)</u>	<u>(688,450)</u>
Operating Income	\$ (85,191)	\$ 136,098	\$ 114,903
Plus: Depreciation	238,613	265,820	29,249
Interest Income	<u>13,599</u>	<u>19,069</u>	<u>40,816</u>
Revenues Available for Debt Service	<u><u>\$ 167,021</u></u>	<u><u>\$ 420,987</u></u>	<u><u>\$ 184,968</u></u>
Windsor Sewer Utility*			
Total Operating Revenues	\$ 669,855	\$ 905,179	\$ 904,161
Less: Operating Expenses	<u>(700,191)</u>	<u>(802,286)</u>	<u>(1,029,369)</u>
Operating Income	\$ (30,336)	\$ 102,893	\$ (125,208)
Plus: Depreciation	125,587	134,224	143,223
Interest Income	<u>6,582</u>	<u>28,411</u>	<u>39,822</u>
Revenues Available for Debt Service	<u><u>\$ 101,833</u></u>	<u><u>\$ 265,528</u></u>	<u><u>\$ 57,837</u></u>

* In 2017, the Village established the Windsor Water and Sewer Utilities to account for all water and sewer utility operations. All assets, deferred outflows, liabilities and deferred inflows were transferred from the four original utility district funds to the new funds. As of the date the Water and Sewer Utilities were created the former Utility Districts ceased to exist. A transfer was recorded to reflect the close out of the old utility districts. See Appendix A.

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					
Property taxes	\$ 1,847,611	\$ 1,918,459	\$ 2,050,326	\$ 2,192,558	\$ 2,273,262
Other taxes	63,972	81,982	94,854	114,135	207,000
Special assessment revenue	0	0	0	0	0
Intergovernmental	302,946	320,707	361,850	443,093	494,722
Licenses and permits	303,455	326,959	298,965	268,907	201,450
Fines, forfeits and penalties	20,705	13,247	13,877	11,805	15,000
Public charges for services	961,560	512,268	515,115	466,808	479,209
Interest income	19,911	19,990	54,027	66,623	24,000
Miscellaneous general revenues	192,506	57,015	31,728	36,396	11,400
Total Revenues	<u>\$ 3,712,666</u>	<u>\$ 3,250,627</u>	<u>\$ 3,420,742</u>	<u>\$ 3,600,325</u>	<u>\$ 3,706,043</u>
Expenditures					
Current:					
General government	\$ 856,250	\$ 806,580	\$ 933,102	\$ 962,674	\$ 1,052,633
Public safety	826,754	760,998	871,008	947,913	1,111,083
Public works	798,319	912,748	920,026	1,079,254	1,163,630
Health and social services	0	0	0	0	0
Culture and recreation	459,968	706,762	758,696	407,360	269,519
Conservation and development	169,184	76,503	34,632	26,779	30,177
Capital outlay	0	0	0	0	0
Debt service	0	0	0	0	0
Total Expenditures	<u>\$ 3,110,475</u>	<u>\$ 3,263,591</u>	<u>\$ 3,517,464</u>	<u>\$ 3,423,980</u>	<u>\$ 3,627,042</u>
Excess of revenues over (under) expenditures	\$ 602,191	\$ (12,964)	\$ (96,722)	\$ 176,345	\$ 79,001
Other Financing Sources (Uses)					
Proceeds of long-term debt	0	0	0	0	0
Operating transfers in	0	0	45,000	207,466	0
Operating transfers out	(72,790)	(298,235)	(49,265)	(295,275)	(79,000)
Total Other Financing Sources (Uses)	<u>\$ (72,790)</u>	<u>\$ (298,235)</u>	<u>\$ (4,265)</u>	<u>\$ (87,809)</u>	<u>\$ (79,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 529,401	\$ (311,199)	\$ (100,987)	\$ 88,536	\$ 1
General Fund Balance January 1	1,599,762	2,129,163	1,817,964	1,716,977	1,805,513
Prior Period Adjustment	0	0	0	0	
General Fund Balance December 31	<u>\$ 2,129,163</u>	<u>\$ 1,817,964</u>	<u>\$ 1,716,977</u>	<u>\$ 1,805,513</u>	<u>\$ 1,805,514</u>
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	173,447	297,663	429,220	508,401	
Restricted	477,960	605,344	304,629	0	
Committed	17,250	21,713	26,049	24,760	
Assigned	480,000	125,741	125,741	100,000	
Unassigned	980,506	767,503	831,338	1,172,352	
Total	<u>\$ 2,129,163</u>	<u>\$ 1,817,964</u>	<u>\$ 1,716,977</u>	<u>\$ 1,805,513</u>	

¹ The 2020 budget was adopted on November 19, 2019.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 6,345 and a current estimated population of 8,240 comprises an area of 30.8 square miles and is located approximately 10 miles north of the City of Madison. The Town was incorporated in 1840 and became a Village in 2015.

LARGER EMPLOYERS¹

Larger employers in the area include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Walgreens Distribution	Distribution	1,200
DeForest Area School District	School	504
Bell Laboratories Inc.	Consumer products manufacturer	495
ABS Global	Livestock breeders	479
EVCO Plastics	Plastic & rubber product manufacturing	393
Clack Corporation	Manufacturing and distributing	387
North American Mechanical Inc.	Mechanical Contractors	384
WP Beverages/Pepsi	Beverages (Wholesaler)	300
Coca-cola Bottling Company	Beverages (Wholesaler)	200
Ball Metal Food & Household Products	Metal cans (Manufacturer)	175
Neesvigs Meats	Food Service	100
Great Lakes Packaging	Corrugated and Solid Fiber Box Manufacturer	75

Source: ReferenceUSA, written and telephone survey (October 2020), Wisconsin Manufacturers Register, DeForest Windsor Economic Development and the Wisconsin Department of Workforce Development, Sept 2020 IN Business Dane County Largest Employers.

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

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	82	75	75	66	58
Valuation	\$26,422,906	\$25,938,814	\$27,940,695	\$25,655,485	\$22,937,467
<u>New Multiple Family Buildings</u>					
No. of building permits	8	8	14	5	4
Valuation	\$6,070,000	\$12,749,426	\$4,970,000	\$2,197,793	\$1,802,850
<u>New Commercial/Industrial</u>					
No. of building permits	7	2	1	1	0
Valuation	\$2,976,015	\$1,193,279	\$2,227,800	\$650,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	388	481	401	403	62
Valuation	\$55,757,671	\$48,413,931	\$41,211,601	\$36,143,551	\$24,740,317

Source: The Village.

¹ As of October 15, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	5,286
2010 U.S. Census	6,345
2020 Estimated Population	8,240
Percent of Change 2000 - 2010	+ 20.03%

Income and Age Statistics

	The Village	Dane County	State of Wisconsin	United States
2018 per capita income	\$45,502	\$38,757	\$32,018	\$32,621
2018 median household income	\$95,841	\$70,541	\$59,209	\$60,293
2018 median family income	\$115,236	\$94,813	\$75,313	\$73,965
2018 median gross rent	\$972	\$1,031	\$837	\$1,023
2018 median value owner occupied units	\$266,700	\$252,300	\$173,600	\$204,900
2018 median age	39.4 yrs.	34.9 yrs.	39.3 yrs.	37.9 yrs.

	State of Wisconsin	United States
Village % of 2018 per capita income	142.11%	139.49%
Village % of 2018 median family income	153.01%	155.80%

Housing Statistics

	<u>The Village</u>		
	2010	2018	Percent of Change
All Housing Units	1,396	2,640	89.11%

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	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Dane County	Dane County	State of Wisconsin
2016	309,163	2.8%	4.0%
2017	312,894	2.4%	3.3%
2018	312,787	2.2%	3.0%
2019	313,824	2.4%	3.3%
2020, September ¹	315,610	3.8%	4.7%

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

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

JBC

JOHNSON BLOCK

CPAs



Windsor

Growing Forward

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended December 31, 2019

VILLAGE OF WINDSOR

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Windsor

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Windsor, Wisconsin, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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



Emphasis of Matter

As discussed in Note 1 to the financial statements, effective January 1, 2019, the Village of Windsor adopted the provisions of GASB Statement No. 84, Fiduciary Activities. Additionally, as described in Note 13, a prior period adjustment has been reflected in the financial statements to remove the allocation of Pension and Other Post-Employment Benefits from the Custodial Funds. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page iii through xiv, and the Wisconsin Retirement System schedules, the Local Retiree Life Insurance Schedules and budgetary comparison information 55 through 58 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 of Windsor, Wisconsin's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining non-major fund financial statements and the debt repayment summaries are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block and Company, Inc.
June 4, 2020

VILLAGE OF WINDSOR **MANAGEMENT'S DISCUSSION AND ANALYSIS** For the Year Ended December 31, 2019

As management of the Village of Windsor, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2019. We encourage the reader to consider the information presented here in conjunction with the Independent Auditor's Report at the front of this report and the Village's financial statements, which immediately follow this section.

THE FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Village's operating results. You can think of the Village's net position, as measured in the Statement of Net Position, as one way to measure the Village's financial position. Over time, increases or decreases in the Village's net position, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the Village's goal is to provide services that improve the quality of life for our residents, not to generate profits. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads and preservation of open space, in assessing the overall performance of our Village.

- The assets of the Village exceeded its liabilities as of December 31, 2019 by \$38,341,726, which included \$20,210,073 net position of governmental activities and \$18,131,653 net position of business-type activities. Total net position includes all infrastructure of the governmental funds.
- The Village of Windsor's total net position increased by \$3,503,836. Governmental activities net position increased by \$2,435,383 and business-type activities increased by \$1,068,453.
- As of December 31, 2019, the Village of Windsor's governmental funds reported combined ending fund balances of \$11,889,314. This includes nonspendable fund balance of \$508,401, restricted fund balance of \$9,458,346, committed fund balance of \$24,760, assigned fund balance of \$1,218,954 and unassigned fund balance of \$678,853.
- As of December 31, 2019, the unassigned fund balance for the general fund was \$1,172,352 or approximately 34 percent of total general fund expenditures. Of this amount \$180,000 has been earmarked for cash management.
- The Village of Windsor's total general obligation debt increased by \$7,410,000 during 2019, and total mortgage revenue bonds decreased by \$26,454.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements The government-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the Village's finances in a manner similar to private-sector business. The government-wide financial statements can be found on pages 1 through 2 of this report.

- The *Statement of Net Position* presents information on all of the Village of Windsor's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

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

Fund financial statements The Village also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Village, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the Village's government-wide statements and provide information that may be useful in evaluating a Village's short-term financing requirements. There are two fund financial statements, the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund statements focus on short-term inflows and outflows of spendable resources and their impact on fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The Village maintains 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, TIF District #1 and Capital Projects Fund. Data from the remaining 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report.

The Village of Windsor adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Windsor Water and Sewer Utilities, which are considered to be major funds of the Village. The basic proprietary fund financial statements can be found on pages 7 through 11 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's programs. The fiduciary funds maintained by the Village of Windsor are the Tax Collection Fund, which records the tax roll and tax collections for other taxing jurisdictions within the Village, the Community Center Fund, and the Half-Century Club Fund. The basic fiduciary fund financial statements can be found on pages 12-13 of this report.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 54 of this report.

Other information The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 59 through 60 of this report. Debt repayment schedules can be found on pages 61 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1, below, provides a summary of the Village's net position for the year ended December 31, 2019.

Village of Windsor's Net Position				
	Governmental Activities		Business-Type Activities	
	2018	2019	2018	2019
Current and other assets	\$ 14,114,531	\$ 19,177,983	\$ 4,741,277	\$ 5,784,695
Land held for resale	1,970,347	1,760,551	-	-
Capital assets	21,156,301	26,319,278	15,323,716	15,820,600
Deferred outflows	183,879	327,273	45,020	90,054
Total assets and deferred outflows	\$ 37,425,058	\$ 47,785,085	\$ 20,110,013	\$ 21,695,349
Long-term liabilities outstanding	\$ 14,149,123	\$ 21,493,305	\$ 2,727,313	\$ 3,119,640
Other liabilities	632,930	916,233	224,490	357,318
Deferred Inflows	4,848,045	5,165,474	97,010	86,738
Total liabilities and deferred inflows	\$ 19,630,098	\$ 27,575,012	\$ 3,046,813	\$ 3,563,696
Net Position:				
Net Investment in Capital Assets	\$ 14,376,032	\$ 15,566,369	\$ 12,596,403	\$ 13,240,771
Restricted	1,869,564	2,514,784	1,073,426	1,213,711
Unrestricted	1,549,364	2,128,920	3,993,371	3,677,121
Total Net Position	\$ 17,794,960	\$ 20,210,073	\$ 17,063,200	\$ 18,131,653

The largest portion of the Village's net position (75%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Infrastructure placed in service prior to January 1, 2004, such as roads, storm sewers, and culverts, is reflected in these reports.

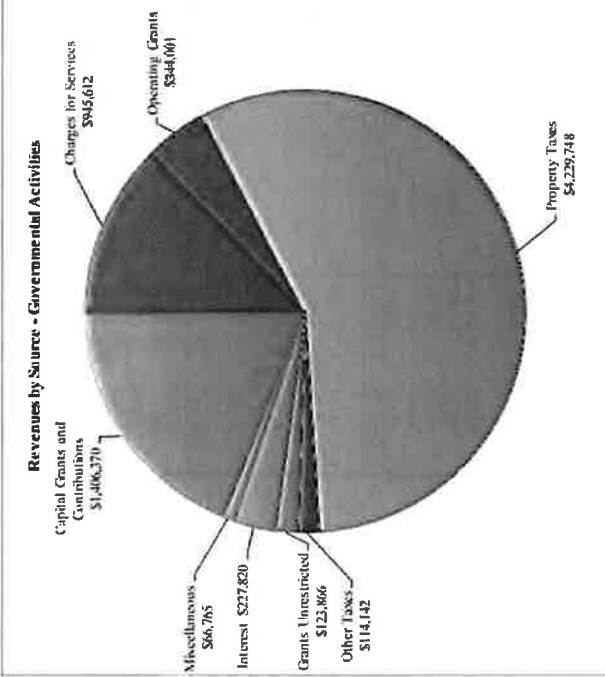
A portion of the Village's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$5,806,091) may be used to meet the Village's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2, below, provides a summary of the Village's operating results and their impact on net position for the year ended December 31, 2019. In 2019 the Village relied primarily on property taxes (40%), charges for services (25%), and capital grants and contributions (24%) to fund its operations. Combined, these account for 89% of all revenues or approximately \$9.4 million. Program revenues, including charges for services, operating and capital grants accounted for \$5.6 million of the total revenues of \$10.6 million.

Village of Windsor's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Charges for services and fees, fines, and costs	\$ 1,191,960	\$ 945,612	\$ 1,664,522	\$ 1,716,044	\$ 2,856,482	\$ 2,661,656
Operating grants and contributions	314,146	344,001	-	-	314,146	344,001
Capital grants and contributions	132,758	1,406,370	2,024,278	1,166,106	2,157,036	2,572,476
General revenues:						
Property taxes	3,870,798	4,229,748	-	-	3,870,798	4,229,748
Other taxes	94,850	114,142	-	-	94,850	114,142
Grants and contributions not restricted to specific programs	70,203	123,866	-	-	70,203	123,866
Unrestricted interest and investment	148,113	227,820	47,480	80,637	195,593	308,457
Miscellaneous	61,420	66,765	15,251	16,409	76,671	83,174
Gain (loss) on retirement of asset(s)	(28,905)	192,372	2,600	-	(26,305)	192,372
Transfers	45,000	120,000	(45,000)	(120,000)	-	-
Total Revenues	\$ 5,900,343	\$ 7,770,696	\$ 3,709,131	\$ 3,859,196	\$ 9,609,474	\$ 10,629,892
Expenses:						
General Government	\$ 1,065,617	\$ 1,129,316	\$ -	\$ -	\$ 1,065,617	\$ 1,129,316
Public Safety	1,364,538	420,641	-	-	1,364,538	420,641
Public Works	2,168,678	2,172,794	-	-	2,168,678	2,172,794
Culture, Recreation and Education	661,690	581,423	-	-	661,690	581,423
Conservation and Development	331,526	322,434	-	-	331,526	322,434
Interest on Long-Term Debt	477,934	708,705	-	-	477,934	708,705
Water & Sewer	-	-	1,478,892	1,790,743	1,478,892	1,790,743
Total Expenses	6,069,983	5,335,313	1,478,892	1,790,743	7,548,875	7,126,056
Increase (decrease) in Net Position	(169,640)	2,435,383	2,230,239	1,068,453	2,060,599	3,503,836
Net Position - January 1	18,041,481	17,794,960	14,832,961	17,063,200	32,874,442	34,858,160
Restatement	(76,881)	(20,270)	-	-	(76,881)	(20,270)
Net Position - January 1 - Restated	17,964,600	17,774,690	14,832,961	17,063,200	32,797,561	34,837,890
Net Position - December 31	\$ 17,794,960	\$ 20,210,073	\$ 17,063,200	\$ 18,131,653	\$ 34,858,160	\$ 38,341,726

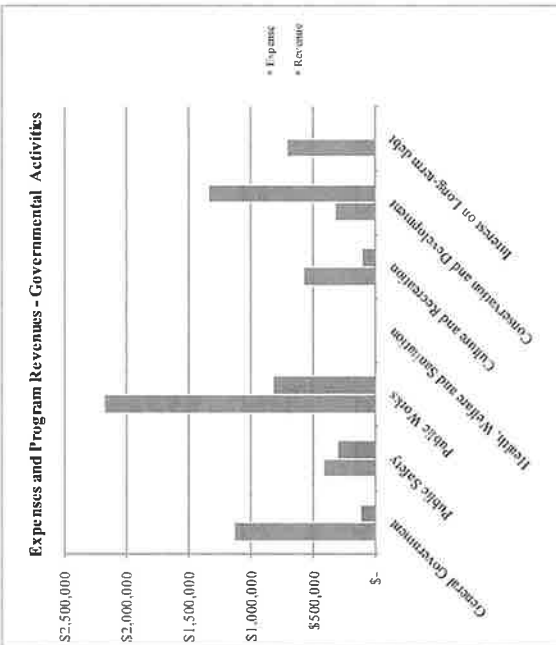
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities: Governmental activities increased the Village's net position by \$2,435,383. Key elements of this increase are as follows:

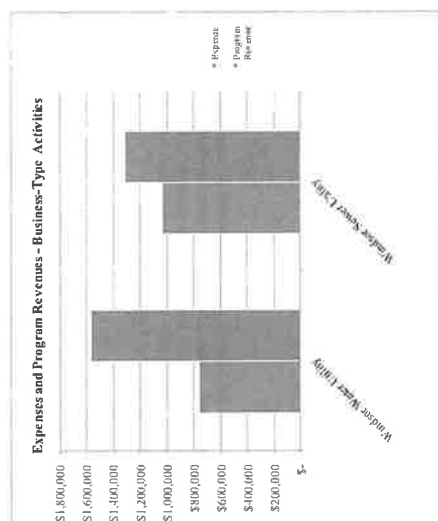
- Public Safety expenses decreased by \$943,000 mainly due to a payment to the Fire/EMS District in the prior year. The prior year payment was primarily related to the Village's portion of the new ladder truck and ambulance.
- Conservation and Development Grants/Contributions increased by 1,336,000. This is mainly related to infrastructure paid for and installed by developers.



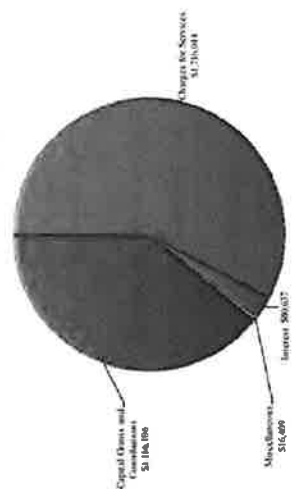
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities: Net position of the business-type activities increased by \$1,068,453. The key elements of this increase were:

- Revenues from infrastructure financed and put in by developers.
- Increases in charges for services from customer growth.



Revenues by Source - Business-Type Activities



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FINANCIAL ANALYSIS OF THE VILLAGE OF WINDSOR'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2019, the Village's governmental funds reported combined ending fund balances of \$11,889,314, an increase of \$4,554,947 from the prior year. Of the combined ending fund balance, \$508,401 is nonspendable in the forms of advances receivable and prepaid expenses, \$1,001,208 is restricted for impact fees, \$7,509,991 is restricted for capital projects, \$218,818 is restricted for parks, \$382,156 for the Community Development Authority, \$319,175 is restricted for debt service and \$26,998 is restricted for other purposes. Committed fund balance of \$24,760 is for the Token Creek Conservancy. The Village has assigned \$100,000 for other purposes including emergency management, \$183,822 for debt payments, \$608,529 for capital projects and \$326,603 for sinking funds. The general fund has an unassigned fund balance of \$1,172,352 and TIF District #1 has a deficit fund balance of \$493,499.

The general fund is the chief operating fund of the Village. At the end of the current year, unassigned and total fund balance of the general fund was \$1,172,352 and \$1,805,513, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 34% of total general fund expenditures. Total fund balance represents 53% of general fund expenditures.

During the current year, the Village's general fund balance increased by \$88,536. Key factors in this decrease are as follows:

- General fund expenditures were less than the budget by \$81,165, primarily in public works related to contracted engineering, wages and benefits, and contracted snow removal and salt.
- General fund revenues were more than the budget by \$103,775, primarily related to interest income and other taxes.
- Culture, Recreation and Education expenditures decreased by \$657,225 compared to 2018. This was primarily a result of creating a new Parkland Fees fund and reflecting park expenditures and capital outlays in the new fund.

Proprietary funds The Village's proprietary funds provide the same type of information found in the Village's government-wide financial statements, but in more detail. At December 31, 2019, the Village's proprietary funds reported combined net position of \$18,131,653.

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GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget did not change the amount of appropriations from the original budgeted amounts. Differences can be briefly summarized as follows:

During the year, actual revenues were more than the budgeted revenues by \$103,775. The primary reasons for this variance is as follows:

- Interest Income were more than the budget by \$46,012.

Actual expenditures were less than budgeted expenditures by \$81,165. The primary reasons for these variances are as follows:

- Expenditures for public works were less than budget by approximately \$100,300.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets The Village of Windsor's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$42,139,878 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure and construction in progress. Infrastructure placed in service prior to January 1, 2004 (roads, storm sewers, and culverts) is included. The net increase in the Village's investment in capital assets for the current year was \$5,659,861.

Major capital asset events during the current fiscal year included the following:

- Governmental Activities:
 - Developer financed infrastructure additions of approximately \$1,336,000 that included land improvements, roads, sidewalks and storm sewer infrastructure
 - Approximately \$2,000,000 in new or improvements to park lands, shelters and equipment
 - Approximately \$2,140,000 in purchases of land and building for future Village revitalization projects and Village operations.
- Business-Type Activities:
 - Developer financed infrastructure additions of approximately \$424,000 in the water utility and \$376,000 in the sewer utility
 - Meter additions both new and replacements
 - Work in progress related to the planning for a new well.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Village of Windsor's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Land	\$ 5,906,620	\$ 9,701,882	\$ 180,445	\$ 180,445	\$ 6,087,065	\$ 9,882,327
Conservation Easements	1,268,267	1,268,267	-	-	1,268,267	1,268,267
Construction in process	1,104,965	836,418	33,703	123,805	1,138,668	960,223
Building and improvements	3,829,693	4,915,725	-	-	3,829,693	4,915,725
Equipment	1,666,227	1,707,146	2,471,256	2,471,256	4,137,483	4,178,402
Infrastructure	21,739,696	23,042,173	17,440,497	18,281,454	39,180,193	41,321,627
Total capital assets	\$ 35,515,468	\$ 41,471,611	\$ 20,125,901	\$ 21,056,960	\$ 55,641,369	\$ 62,528,571

Additional information on the Village of Windsor's capital assets can be found in Note 4 on page 31 through 33 of this report.

Long-term debt At December 31, 2019, the Village of Windsor had total long-term debt outstanding of \$24,064,107, of which \$23,660,000 was backed by the full faith of the Village.

Village of Windsor's Outstanding Debt						
	General Obligations & Mortgage Revenue Bonds		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
General Obligation Debt	\$ 14,010,000	\$ 21,025,000	\$ 2,240,000	\$ 2,635,000	\$ 16,250,000	\$ 23,660,000
Mortgage Revenue Bonds	-	-	430,561	404,107	430,561	404,107
Total Outstanding Debt	\$ 14,010,000	\$ 21,025,000	\$ 2,670,561	\$ 3,039,107	\$ 16,680,561	\$ 24,064,107

During the fiscal year, the Village of Windsor's general obligation debt balance increased by \$7,410,000. Additional information on the Village's long-term debt can be found in Note 5 on pages 33 through 37 of this report.

The general obligation debt outstanding of \$23,660,000 is well below the allowable amount of \$50,007,875 which is 5% of the valuation of taxable property as equalized for State purposes.

Economic Factors and Next Year's Budgets and Rates

Village of Windsor's financial results are dependent on several factors:

- Amount of Shared Revenue, General Transportation Aids and other grants received
- Increases in insurance, professional services and other operating costs
- Tax levy limits restrictions

All of these factors were considered in preparing the Village's budget for the 2020 fiscal year.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village of Windsor's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer, Village of Windsor, 4084 Mueller Road, DeForest, WI 53532.

General information relating to the Village of Windsor, Wisconsin, can be found at the Village's website, <http://www.windsorwi.gov>.

BASIC FINANCIAL STATEMENT

VILLAGE OF WINDSOR

**Statement of Net Position
December 31, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Equivalents	\$ 6,531,820	\$ 3,194,553	\$ 9,726,373
Receivables	1,952,007	817,509	2,769,516
Internal Balances	6,298	(6,298)	-
Due (to) from Fiduciary Funds	16,756	-	16,756
Inventories	-	25,409	25,409
Prepaid Expenses	14,902	-	14,902
Total Current Assets	<u>8,521,783</u>	<u>4,031,173</u>	<u>12,552,956</u>
Restricted Assets			
Restricted Cash and Cash Equivalents	8,553,819	1,753,522	10,307,341
Total Restricted Assets	<u>8,553,819</u>	<u>1,753,522</u>	<u>10,307,341</u>
Capital Assets			
Land, Improvements, Construction in Process and Infrastructure in Process	11,806,567	304,250	12,110,817
Other Capital Assets, Net of Depreciation	14,512,711	15,516,350	30,029,061
Total Capital Assets	<u>26,319,278</u>	<u>15,820,600</u>	<u>42,139,878</u>
Other Non-Current Assets			
Land Held for Resale	1,760,551	-	1,760,551
Investment in Joint Ventures	2,102,381	-	2,102,381
Total Other Non-Current Assets	<u>3,862,932</u>	<u>-</u>	<u>3,862,932</u>
Total Assets	<u>47,257,812</u>	<u>21,605,295</u>	<u>68,863,107</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	507,495	90,054	597,549
Deferred Outflows - Retiree Life Insurance	19,778	-	19,778
Total Deferred Outflows	<u>527,273</u>	<u>90,054</u>	<u>617,327</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 47,785,085</u>	<u>\$ 21,695,349</u>	<u>\$ 69,480,434</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 319,551	\$ 288,278	\$ 607,829
Due to Other Governmental Agencies	2,269	-	2,269
Accrued Interest Payable	226,084	23,521	249,605
Current Portion of Long-Term Debt	1,425,000	231,760	1,656,760
Total Current Liabilities	<u>1,972,904</u>	<u>543,559</u>	<u>2,516,463</u>
Non-Current Liabilities:			
Net Pension Liability	183,730	32,603	216,333
Net OPEB Liability	147,606	-	147,606
Long-Term Debt	20,068,305	2,887,880	22,956,185
Compensated Absences	36,993	12,916	49,909
Total Non-Current Liabilities	<u>20,436,634</u>	<u>2,933,399</u>	<u>23,370,033</u>
Total Liabilities	<u>22,409,538</u>	<u>3,476,958</u>	<u>25,886,496</u>
DEFERRED INFLOWS OF RESOURCES			
Regulatory Credit	-	40,353	40,353
Tax Levy	4,860,031	-	4,860,031
Deferred Inflows - Pensions	261,400	46,385	307,785
Deferred Inflows - Retiree Life Insurance	43,502	-	43,502
Other	541	-	541
Total Deferred Inflows of Resources	<u>5,165,474</u>	<u>86,738</u>	<u>5,252,212</u>
NET POSITION			
Net Investment in Capital Assets	15,566,369	13,240,771	28,807,140
Restricted For			
Special Revenues	245,816	-	245,816
Capital Projects	1,567,637	1,213,711	2,781,348
Debt Service	701,331	-	701,331
Unrestricted	2,128,920	3,677,171	5,806,091
Total Net Position	<u>20,210,073</u>	<u>18,131,653</u>	<u>38,341,726</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 47,785,085</u>	<u>\$ 21,695,349</u>	<u>\$ 69,480,434</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Statement of Activities
For the Year Ended December 31, 2019**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Governmental Activities	Business-Type Activities
Primary Government							
Governmental Activities							
General Government	\$ 1,129,316	\$ 119,977	\$ -	\$ -	\$ (1,009,339)	\$	\$ (1,009,339)
Public Safety	420,641	266,044	37,130	-	(117,467)		(117,467)
Public Works	2,172,794	447,329	305,810	70,364	(1,349,291)		(1,349,291)
Health, Welfare and Sanitation	-	-	260	-	260		260
Culture, Recreation and Education	581,423	109,312	801	-	(471,310)		(471,310)
Conservation and Development	322,434	2,950	-	1,336,006	1,016,522		1,016,522
Interest on Long-Term Debt	708,705	-	-	-	(708,705)		(708,705)
Total Governmental Activities	5,335,313	945,612	344,001	1,406,370	(2,639,330)		(2,639,330)
Business-Type Activities							
Windsor Water Utility	761,374	809,183	-	759,877	-	807,686	807,686
Windsor Sewer Utility	1,029,369	906,861	-	406,229	-	283,721	283,721
Total Business-Type Activities	1,790,743	1,716,044	-	1,166,106	-	1,091,407	1,091,407
Total Primary Government	\$ 5,335,313	\$ 945,612	\$ 344,001	\$ 1,406,370	(2,639,330)	1,091,407	(1,547,923)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					2,282,559	-	2,282,559
Property taxes, levied for debt service					1,590,505	-	1,590,505
Property taxes, TIF increment					356,684	-	356,684
Room taxes					30,301	-	30,301
Other taxes					83,841	-	83,841
Grants and contributions not restricted to specific programs					123,866	-	123,866
Unrestricted investment earnings					227,820	80,637	308,457
Miscellaneous					66,765	16,409	83,174
Special item - gain(loss) on sale of assets					192,372	-	192,372
Transfers					120,000	(120,000)	-
Total General Revenues, Special Items and Transfers					5,074,713	(22,954)	5,051,759
Change in Net Position					2,435,383	1,068,453	3,503,836
Net Position - Beginning, as previously reported					17,794,960	17,063,200	34,858,160
Prior Period Adjustment - See Note 13					(20,270)	-	(20,270)
Net Position - Beginning					17,774,690	17,063,200	34,837,890
Net Position - Ending					\$ 20,210,073	\$ 18,131,653	\$ 38,341,726

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Debt Service	TIF District #1	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,461,860	\$ 502,997	\$ -	\$ 608,529	\$ 1,023,756	\$ 3,597,142
Cash Collections - Advanced Taxes	1,756,435	928,006	250,237	-	-	2,934,678
Restricted Cash	-	-	-	7,552,091	1,001,728	8,553,819
Receivables:						
Taxes	1,090,298	660,946	178,225	-	-	1,929,469
Special Assessments	3,899	-	-	-	-	3,899
Other	18,639	-	-	-	56,574	75,213
Due from Other Funds	23,054	-	-	-	50,271	73,325
Advances Receivable	493,499	-	-	-	-	493,499
Prepaid Expenses	14,902	-	-	-	-	14,902
Total Assets	\$ 4,862,586	\$ 2,091,949	\$ 428,462	\$ 8,160,620	\$ 2,132,329	\$ 17,675,946
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 157,476	\$ -	\$ -	\$ 42,100	\$ 73,058	\$ 272,634
Accrued Liabilities	-	-	-	-	103,488	103,488
Due to Other Funds	50,271	-	-	-	-	50,271
Payable to Other Governments	2,269	-	-	-	-	2,269
Advances Payable	-	-	493,499	-	-	493,499
Total Liabilities	210,016	-	493,499	42,100	176,546	922,161
Deferred Inflows:						
Tax Levy	2,273,262	1,588,952	428,462	-	-	4,290,676
Special Charges	573,795	-	-	-	-	573,795
Total Deferred Inflows	2,847,057	1,588,952	428,462	-	-	4,864,471
Fund Balances (Deficits):						
Nonspendable	508,401	-	-	-	-	508,401
Restricted	-	319,175	-	7,509,991	1,629,180	9,458,346
Committed	24,760	-	-	-	-	24,760
Assigned	100,000	183,822	-	608,529	326,603	1,218,954
Unassigned (Deficits)	1,172,352	-	(493,499)	-	-	678,853
Total Fund Balances	1,805,513	502,997	(493,499)	8,118,520	1,955,783	11,889,314
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	\$ 4,862,586	\$ 2,091,949	\$ 428,462	\$ 8,160,620	\$ 2,132,329	\$ 17,675,946

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

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

Total fund balance, governmental funds	\$ 11,889,314
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	26,319,278
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Land held for resale is capitalized on government-wide financial statements but is recorded as an expenditure when purchased on the fund financial statements. This is the amount after adjustment for sales of land.	1,760,551
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Certain other long-term assets (Deferred Outflows/Inflows) are not available to pay current period expenditures or are not current obligations and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	3,896
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Investment in joint ventures are not financial resources and, therefore, are not reported in the fund statements. This amount represents the current investment in the fire district and community center.	2,102,381
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The net pension liability is not a financial obligation in the current period and, therefore, is not reported in the fund financial statements.	(183,730)
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The net Retiree Life Insurance OPEB liability is not due and payable in current period and, therefore, is not reported in the fund statements.	(147,606)
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Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and, therefore, are not reported in the fund statements.

Deferred outflows of resources	527,273	
Deferred inflows of resources	(304,902)	222,371

Some liabilities, (such as Long-Term Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Current portion of Long-Term Debt	(1,425,000)	
Non-current portion of Long-Term Debt	(19,600,000)	
Net Discount (Premium) on Long-Term Debt	(468,305)	
Compensated Absences	(36,993)	
Accrued Interest	(226,084)	(21,756,382)

Net Position of Governmental Activities in the Statement of Net Position	\$ 20,210,073
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VILLAGE OF WINDSOR

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

	General Fund	Debt Service	TIF District #1	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 2,192,558	\$ 1,590,505	\$ 356,684	\$ -	\$ 90,000	\$ 4,229,747
Other Taxes	114,135	-	-	-	-	114,135
Intergovernmental	443,093	-	505	24,278	-	467,876
License and Permits	268,907	-	-	-	75,181	344,088
Fines, Forfeits and Penalties	11,805	-	-	-	-	11,805
Public Charges for Services	466,808	-	-	-	117,712	584,520
Interest Income	66,623	18,785	-	106,135	-	227,821
Miscellaneous Income	36,396	23,810	-	2,089	66,455	128,750
Total Revenues	3,600,325	1,633,100	357,189	132,502	385,626	6,108,742
EXPENDITURES						
Current:						
General Government	962,674	1,303	8,761	1,955	48,565	1,023,258
Public Safety	947,913	-	-	-	-	947,913
Public Works	1,079,254	-	-	-	180	1,079,434
Culture, Recreation and Education	407,360	-	-	-	117,188	524,548
Conservation and Development	26,779	-	266,493	-	-	293,272
Capital Outlay	-	-	4,377	4,972,383	103,007	5,079,767
Debt Service:						
Principal Repayment	-	1,306,043	-	-	-	1,306,043
Interest Expense and Fiscal Charges	-	345,065	122,175	59,885	-	527,125
Total Expenditures	3,423,980	1,652,411	401,806	5,034,223	268,940	10,781,360
Excess (Deficiency) of Revenues Over Expenditures	176,345	(19,311)	(44,617)	(4,901,721)	116,686	(4,672,618)
OTHER FINANCING SOURCES (USES)						
Proceeds from Long-Term Debt	-	-	-	8,290,000	-	8,290,000
Premium on Long-Term Debt	-	372,810	-	-	-	372,810
Transfers In	207,466	-	-	86,632	295,275	589,373
Transfers Out	(295,275)	(86,632)	-	-	(87,466)	(469,373)
Total Other Financing Sources and Uses	(87,809)	286,178	-	8,376,632	207,809	8,782,810
SPECIAL ITEM						
Proceeds from Sale of Land Held for Resale	-	-	-	444,755	-	444,755
Net Change in Fund Balances	88,536	266,867	(44,617)	3,919,666	324,495	4,554,947
Fund Balances (Deficit) - Beginning	1,716,977	236,130	(448,882)	4,198,854	1,631,288	7,334,367
Fund Balances (Deficit) - Ending	\$ 1,805,513	\$ 502,997	\$ (493,499)	\$ 8,118,520	\$ 1,955,783	\$ 11,889,314

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

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

Net change in fund balances - total governmental funds:	\$ 4,554,947
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount by which depreciation (\$1,063,312) was less than capital outlays (\$4,932,870) in the current period.	3,869,558
Contributions of capital assets are recorded on the Statement of Net Position as an asset and as revenue in the statement of activities.	1,336,006
Gain (Loss) on disposal of capital assets during the period.	(42,587)
The proportionate share of the change in net position related to joint ventures reported in the Statement of Activities.	528,981
Compensated absences are reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.	
Change in compensated absences	8,408
The Statement of Activities reports only the net gain or (loss) on the sale of the land held for resale. The amount indicated here is the recovery of the basis on the sale of the land held for resale.	(209,796)
Governmental funds record revenues when they are available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This amount represents revenue recorded on the fund financial statements that was accrued in previous years.	(1,760)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of principal repayments on debt (\$1,275,000) and principal payments on capital leases (\$31,043) less current year proceeds (\$8,290,000) during the year.	(6,983,957)
Current year debt premium to be amortized over the life of the loan	(372,810)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Change in accrued interest	(178,828)
Amortization of debt discount not reflected on Governmental funds	(2,752)
Amortization of debt premium not reflected on Governmental funds	15,337
Pension and other post employment benefit expenses reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension (asset) liability from the prior year to the current year, with some adjustments.	
Amount of current year required contributions into the defined benefit pension and OPEB plan	(66,812)
Actuarially determined change in net pension and OPEB (asset) liability between years, with adjustments	(18,552)
Change in Net Position of governmental activities	\$ 2,435,383

VILLAGE OF WINDSOR

Statement of Net Position Proprietary Funds December 31, 2019

	Enterprise Funds		
	Windsor Water Utility	Windsor Sewer Utility	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,042,452	\$ 2,152,101	\$ 3,194,553
Receivables:			
Special Assessments	643,881	4,071	647,952
Accounts	73,520	96,037	169,557
Inventories	25,409	-	25,409
Total Current Assets	<u>1,785,262</u>	<u>2,252,209</u>	<u>4,037,471</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	<u>1,753,522</u>	<u>-</u>	<u>1,753,522</u>
Total Restricted Assets	<u>1,753,522</u>	<u>-</u>	<u>1,753,522</u>
Capital Assets:			
Land and Improvements	127,420	53,025	180,445
Construction Work in Progress	123,805	-	123,805
Other Capital Assets	13,345,590	7,407,120	20,752,710
Less: Accumulated Depreciation	<u>(2,835,119)</u>	<u>(2,401,241)</u>	<u>(5,236,360)</u>
Net Capital Assets	<u>10,761,696</u>	<u>5,058,904</u>	<u>15,820,600</u>
Total Assets	<u>14,300,480</u>	<u>7,311,113</u>	<u>21,611,593</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>70,838</u>	<u>19,216</u>	<u>90,054</u>
Total Deferred Outflows of Resources	<u>70,838</u>	<u>19,216</u>	<u>90,054</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 14,371,318</u>	<u>\$ 7,330,329</u>	<u>\$ 21,701,647</u>

VILLAGE OF WINDSOR

Statement of Net Position Proprietary Funds December 31, 2019

	Enterprise Funds		
	Windsor Water Utility	Windsor Sewer Utility	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 97,306	\$ 190,397	\$ 287,703
Accrued Liabilities	575	-	575
Accrued Interest Payable	23,521	-	23,521
Due to Other Funds	4,937	1,361	6,298
Current Portion of G.O. and Revenue Bonds Payable	231,760	-	231,760
Total Current Liabilities	<u>358,099</u>	<u>191,758</u>	<u>549,857</u>
Non-Current Liabilities:			
Net Pension Liability	<u>25,646</u>	<u>6,957</u>	<u>32,603</u>
Long-Term Debt:			
G.O. and Revenue Bonds Payable	<u>2,887,880</u>	<u>-</u>	<u>2,887,880</u>
Total Long-Term Debt	<u>2,887,880</u>	<u>-</u>	<u>2,887,880</u>
Other Liabilities			
Compensated Absences	<u>11,025</u>	<u>1,891</u>	<u>12,916</u>
Total Other Liabilities	<u>11,025</u>	<u>1,891</u>	<u>12,916</u>
Total Non-Current Liabilities	<u>2,924,551</u>	<u>8,848</u>	<u>2,933,399</u>
Total Liabilities	<u>3,282,650</u>	<u>200,606</u>	<u>3,483,256</u>
DEFERRED INFLOWS OF RESOURCES			
Other Deferred Credits	40,353	-	40,353
Deferred Pension Inflows	<u>36,487</u>	<u>9,898</u>	<u>46,385</u>
Total Deferred Inflows of Resources	<u>76,840</u>	<u>9,898</u>	<u>86,738</u>
NET POSITION			
Net Investment in Capital Assets	8,181,867	5,058,904	13,240,771
Restricted For Capital Projects	1,213,711	-	1,213,711
Unrestricted	<u>1,616,250</u>	<u>2,060,921</u>	<u>3,677,171</u>
Total Net Position	<u>11,011,828</u>	<u>7,119,825</u>	<u>18,131,653</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 14,371,318</u>	<u>\$ 7,330,329</u>	<u>\$ 21,701,647</u>

Village of Windsor

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019**

	Enterprise Funds		
	Windsor Water Utility	Windsor Sewer Utility	Total
OPERATING REVENUES			
Charges for Services	\$ 800,724	\$ 785,495	\$ 1,586,219
Other Operating Revenues	2,629	118,666	121,295
Total Operating Revenues	803,353	904,161	1,707,514
OPERATING EXPENSES			
Operation and Maintenance	395,601	886,146	1,281,747
Depreciation	292,849	143,223	436,072
Total Operating Expenses	688,450	1,029,369	1,717,819
Operating Income (Loss)	114,903	(125,208)	(10,305)
NON-OPERATING REVENUES (EXPENSES)			
Interest and Investment Revenue	40,816	39,822	80,638
Miscellaneous Non-Operating Revenue	22,238	2,700	24,938
Interest Expense	(72,924)	-	(72,924)
Total Non-Operating Revenues (Expenses)	(9,870)	42,522	32,652
Income (Loss) Before Transfers and Special Items	105,033	(82,686)	22,347
Capital Contributions - Developers	464,947	375,949	840,896
Impact and Connection Fees	294,930	30,280	325,210
Transfers Out	(120,000)	-	(120,000)
Change in Net Position	744,910	323,543	1,068,453
Net Position - Beginning	10,266,918	6,796,282	17,063,200
Total Net Position - Ending	\$ 11,011,828	\$ 7,119,825	\$ 18,131,653

VILLAGE OF WINDSOR

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2019

	Enterprise Funds		
	Windsor Water Utility	Windsor Sewer Utility	Total
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers	\$ 803,644	\$ 1,055,024	\$ 1,858,668
Payments (to) from others	4,937	1,892	6,829
Payments to suppliers	(153,941)	(807,699)	(961,640)
Payments to employees	(174,472)	(47,871)	(222,343)
Taxes paid	(129,268)	(2,538)	(131,806)
Net cash provided (used) by operating activities	350,900	198,808	549,708
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of plant assets	(69,193)	-	(69,193)
Proceeds from long-term debt	495,000	-	495,000
Impact fees and special assessments collected	727,410	30,280	757,690
Principal payments on long-term debt	(126,456)	-	(126,456)
Interest paid	(68,321)	-	(68,321)
Net cash provided (used) by capital and related financing activities	958,440	30,280	988,720
<u>Cash Flows from Investing Activities:</u>			
Investment of proceeds from long-term debt	(569,393)	-	(569,393)
Interest Income	78,606	39,822	118,428
Net cash provided (used) by investing activities	(490,787)	39,822	(450,965)
Net increase (decrease) in cash and equivalents	818,553	268,910	1,087,463
<u>Cash and Equivalents, Beginning of year</u>	<u>1,408,027</u>	<u>1,883,191</u>	<u>3,291,218</u>
<u>Cash and Equivalents, End of year</u>	<u>\$ 2,226,580</u>	<u>\$ 2,152,101</u>	<u>\$ 4,378,681</u>
<u>Reconciliation to Balance Sheet</u>			
Cash and cash equivalents	\$ 1,042,452	\$ 2,152,101	\$ 3,194,553
Restricted cash	1,753,522	-	1,753,522
Non cash equivalents	(569,394)	-	(569,394)
Total	<u>\$ 2,226,580</u>	<u>\$ 2,152,101</u>	<u>\$ 4,378,681</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	Enterprise Funds		
	Windsor Water Utility	Windsor Sewer Utility	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating Income (loss)	\$ 114,903	\$ (125,208)	\$ (10,305)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Tax equivalent transfer	(120,000)	-	(120,000)
Joint meter allocation	7,811	(7,811)	-
Miscellaneous non-operating revenues (expenses)	35,928	2,700	38,628
Depreciation	292,849	143,223	436,072
Pension expenses	8,559	2,266	10,825
Changes in Assets and Liabilities:			
Customer accounts receivable	(826)	147,704	146,878
Other accounts receivable	1,117	3,159	4,276
Due from/to other funds	4,937	1,892	6,829
Other assets	33	38	71
Accounts payable	(5,436)	29,484	24,048
Accrued liabilities	11,025	1,361	12,386
Net cash provided (used) by operating activities	<u>\$ 350,900</u>	<u>\$ 198,808</u>	<u>\$ 549,708</u>
Noncash Capital and Related Financing			
Capital Included in Accounts Payable	<u>\$ 60,657</u>	<u>\$ -</u>	<u>\$ 60,657</u>
Capital Contributions - Plant Financed by Developers	<u>\$ 427,157</u>	<u>\$ 193,538</u>	<u>\$ 620,695</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019**

	Community Center	Half-Century Club	Tax Collection	Total Fiduciary Funds
ASSETS				
Cash and Cash Equivalents	\$ 580,340	\$ 83,216	\$ 9,066,996	\$ 9,730,552
Receivables:				
Taxes Receivable	-	-	6,481,832	6,481,832
Other Receivables	8,687	26	-	8,713
Prepaid Expenses	11,754	-	-	11,754
Total Receivables	<u>600,781</u>	<u>83,242</u>	<u>15,548,828</u>	<u>16,232,851</u>
Investments:				
Other Investments	-	50,695	-	50,695
Total Investments	<u>-</u>	<u>50,695</u>	<u>-</u>	<u>50,695</u>
Capital Assets, Net	-	1,596,590	-	1,596,590
Total Assets	<u>\$ 600,781</u>	<u>\$ 1,730,527</u>	<u>\$ 15,548,828</u>	<u>\$ 17,880,136</u>
LIABILITIES				
Accounts Payable	\$ 13,478	\$ 3,512	\$ -	\$ 16,990
Accrued Liabilities	20,114	-	-	20,114
Due to Other Funds	16,756	-	-	16,756
Due to Other Governments	-	-	15,548,828	15,548,828
Total Liabilities	<u>50,348</u>	<u>3,512</u>	<u>15,548,828</u>	<u>15,602,688</u>
NET POSITION				
Restricted for Other Organizations	550,433	1,727,015	-	2,277,448
TOTAL NET POSITION	<u>\$ 550,433</u>	<u>\$ 1,727,015</u>	<u>\$ -</u>	<u>\$ 2,277,448</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2019**

	Community Center	Half-Century Club	Tax Collection	Total Fiduciary Funds
ADDITIONS				
Property Tax Collections for Other Governments	\$ -	\$ -	\$ 11,823,026	\$ 11,823,026
Operating Grants and Contributions	488,557	67,972	-	556,529
Charges for Services	8,778	-	-	8,778
Interest Income	7,519	3,142	-	10,661
Miscellaneous	17,851	2,531	-	20,382
Total Additions	<u>522,705</u>	<u>73,645</u>	<u>11,823,026</u>	<u>12,419,376</u>
DEDUCTIONS				
Payments of Taxes to Other Governments	-	-	11,823,026	11,823,026
Operating Expenses	460,586	73,583	-	534,169
Total Deductions	<u>460,586</u>	<u>73,583</u>	<u>11,823,026</u>	<u>12,357,195</u>
Net Increase (Decrease) in Fiduciary Net Position	62,119	62	-	62,181
Net Position - Beginning	488,314	1,726,953	-	2,215,267
Net Position - Ending	<u>\$ 550,433</u>	<u>\$ 1,727,015</u>	<u>\$ -</u>	<u>\$ 2,277,448</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Windsor (formerly the Town of Windsor), Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. Reporting Entity

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

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. 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. This report does not contain the Madison Metropolitan Sewer District, Windsor Lake District, and Oak Springs Lake District which the Village does not consider component units. See Note 10 regarding intergovernmental agreements.

Incorporation

On November 3, 2015, the Town of Windsor residents passed a referendum to legally incorporate as a village. The Village of Windsor was officially incorporated as of November 9, 2015. Under incorporation as a Village, all utility districts within the boundaries of the Village become a utility(ies) of the newly formed Village. There were (4) operating sanitary districts as of the date of incorporation that dissolved by operation of law at the time of incorporation. The financial statements presented report all funds of the Village, including the sanitary districts that are reported as proprietary/business-type funds.

Component Units

Community Development Authority

The financial statements include the Village's Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Village board. The CDA meets the criteria of a component unit of the Village. As a component unit, the Authority's financial statements have been presented as a blended entity in the basic financial statements. It was blended since the Village issued debt to purchase land for the benefit on the CDA. The information presented is for the fiscal year ended December 31, 2019.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
B. Government-Wide and Fund Financial Statements

Government-wide financial statements are basic financial statements required for all governmental units. The Statement of Net Position and the Statement of Activities are the two required statements. Both statements are prepared on the full accrual basis. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental fund financial statements.

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual 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, liabilities, deferred inflows, net position/fund equity, revenues, and expenditure/expenses.

In addition, all funds in the fund financial statements are reported as proprietary, governmental, or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

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

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and;
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

- I. Summary of Significant Accounting Policies (Continued)
- B. Government-Wide and Fund Financial Statements (Continued)

Governmental Funds

The Village reports the following major governmental funds:

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

Debt Service Fund – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related charges.

Tax Incremental Financing District No. 1 (TIF District #1) – transactions of the Village's tax incremental districts are accounted for capital project funds along with capital outlay projects for which the Village borrowed money.

Capital Projects Fund – accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The Village, in addition to the major funds identified above, reports the following non-major funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to or committed for expenditures for specified purposes. The Village accounts for activity of the Developer Charge-back and Parkland Fees Funds as Special Revenue Funds. These funds are managed by the Village.

Other Capital Projects Funds – The Non-Major Capital Project Funds include the Purchase of Development Rights Fund, the Capital Projects Reserve/Replacement Fund and the Impact Fee Fund.

Community Development Authority Fund ("CDA") – accounts for the CDA's primary operating activities.

Proprietary Funds

Proprietary funds are used to account for operations a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following proprietary funds are included in these statements:

Windsor Water Utility – accounts for the operation of the water system (Major Fund)
Windsor Sewer Utility – accounts for the operation of the sewer system (Major Fund)

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

- I. Summary of Significant Accounting Policies (Continued)
- B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity. b) Assets are not generated from the government's own-source revenues or from government-mandated or voluntary nonexchange transactions. c) Assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government's delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government's reporting entity.

The Village reports the following fiduciary funds:

Custodial Funds – used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village has the following custodial funds: Community Center, Half Century Club and the Tax Collection Fund. The Village accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue when earned.

Fund Financial Statements

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

2. Summary of Significant Accounting Policies (Continued)
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village, which are not available, are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows. Delinquent special assessments being held for collection by the county are reported as receivables and deferred inflows in the general fund.

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

The Village reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred inflow is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as described previously in this note. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer utilities are charged to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity

1) Cash and Cash Equivalents/Investments

The Village has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the Village's individual major funds, and in the aggregate for non-major and custodial funds.

All deposits of the Village are made in board designated official depositories and are secured as required by State Statute. The Village may designate, as an official depository, any bank or savings association. Also, the Village may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

See Footnote 2 for additional information.

2) Taxes Receivable

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach as an enforceable lien as of January 1. The Village's portion of taxes is recorded as a receivable in the general fund. The County acts as the collecting agency for all Village taxes. Since Village property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows in the funds budgeted therefore. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2019 tax roll

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

3) Allowance for Uncollectible Accounts

General fund accounts receivable have been adjusted for all known uncollectible accounts. No allowance was determined to be necessary for delinquent personal property taxes at year-end. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity (Continued)

4) Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Deferred special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. Special assessments of enterprise funds are recorded as non-operating revenue at the time of assessment, if subject to collection. Deferred special assessments, those not subject to collection, are recorded as deferred inflow until such time they are subject to collection.

Uncollected installments placed on prior year tax rolls are held for collection by Dane County and are remitted to the Village upon collection by the County. These delinquent installments are financed by the general fund.

5) Inventories and Prepaid Items

Inventories

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not material. Inventories of proprietary funds are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost using the weighted average method and are charged to construction and/or operation and maintenance expense when used.

Prepaid

Expenditures paid in advance of the period the expenditure is incurred are recorded as prepaid assets.

6) Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as tangible and intangible assets that have useful lives that extend beyond a single reporting period. Capitalization thresholds for capitalizing individual fixed assets and groups of fixed assets is \$5,000. Land and non-depreciable land improvements are all recorded.

All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements. Retroactive reporting of all major general infrastructure assets is encouraged but not required. Infrastructure acquired prior to 2005 has been recorded.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity (Continued)

6) Capital Assets (Continued)

General Fixed Assets

Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund from which the disbursements are made. Generally accepted accounting principles require that these fixed assets be capitalized at cost in the government-wide financial statements. Contributed fixed assets are to be recorded in the government-wide financial statements at fair market value at the time received. Interest incurred during construction is not capitalized.

Depreciation on governmental fixed assets is calculated using the straight-line method based on the estimated useful life of assets. The estimated useful life of assets is determined by industry standards as recommended by GASB.

Proprietary Fund Fixed Assets

Assets in the enterprise fund are capitalized at cost or fair value at date of contribution or acquisition.

Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is capitalized during the period of construction. Net interest cost consists of interest expense on long-term debt proceeds. No interest was capitalized in 2019.

Depreciation is charged over the estimated service life of the assets using the straight-line method. Annual depreciation charges are determined using the average utility plant in service and rates ranging from 1.0% to 26.70% for the water utility and from 1.0% to 20.0% for the sewer utility, depending on the various classes of property, in the respective utilities.

7) Pensions

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity (Continued)

8) 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.

9) Debt Issuance Costs / Discounts

In governmental funds, debt issuance costs and discounts are recognized as expenditures in the current period. For the government-wide financial statements, only debt discounts are deferred and amortized over the term of the debt issue.

10) Compensated Absences

Under terms of employment, Village employees are granted vacations and sick leave in varying amounts. Regular full-time employees who retire from the Village employment under the provisions of the Wisconsin Retirement System will receive credit for accrued, unused sick leave up to a maximum of 240 hours to be used by the Village for purposes of paying the premium for continued health insurance coverage for the employee and his/her dependents for any plan in which the employee is participating at the time of his/her retirement. Employees will not be credited with any pro-rated amount of sick leave for the year in which retirement occurs. Accrued, unused sick leave is not otherwise paid out at termination for employees who are not retiring. A liability has been recorded in the government-wide financial statements for accumulated unused sick leave.

11) Deferred Outflows and Inflows of Resources

Deferred outflow of resources represents a consumption of net position that applies in a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

12) Long-Term Obligations

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

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure of the debt service fund in the year in which the debt matures or is repaid, whichever is earlier.

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity (Continued)

13) Equity Classifications

Government-Wide Statements

Equity is classified as Net Position and displayed in three components:

- a. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or; 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position – All other net position that does 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 Financial Statements

Government fund equity is classified as fund balance.

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the Village Board or a body or official to which the Village Board has delegated the authority to assign amounts for specific purposes.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the Village's practice to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
D. Assets, Liabilities, and Net Position or Equity (Continued)

13) Equity Classifications (Continued)

Any excess revenues and other financing sources over expenditures and other financing uses at the end of the fiscal year will be added to the General Fund unassigned fund balance. Windsor will work to achieve and then maintain an unassigned fund balance in the General Fund to provide for anticipated expense of a non-recurring nature. It is Windsor's goal to maintain a General Fund unassigned fund balance at a range of not less than 25% to 30% of the current operating budget.

Windsor's long-term goal is to maintain an unassigned General Fund balance that would alleviate the need to borrow short-term for operation cash flow needs. Unassigned fund balance in the General Fund that exceeds this goal may be used for one-time expenditures or unforeseen costs (e.g., uninsured damages). The General Fund unassigned fund balance is not intended to be used for recurring costs, which should be included in the operating budget.

14) Land Held for Resale

The government-wide financial statements include land held for resale. This represents the original cost of land purchased by the Village's CDA and held for resale back to a developer. The value of the asset has been adjusted and reduced to the cost of the remaining number of acres.

15) 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 expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

E. Utility Rates – Proprietary Funds

The Village of Windsor Sewer Utilities operate under service rules which are established by the Village Board. The Water Utilities operate under service rules which are established by the Public Service Commission of Wisconsin. Water rate charges are regulated by the Public Service Commission. Billings are made to customers on a monthly basis for water and sewer service.

F. Income Taxes

The Village of Windsor Water and Sewer Utilities are municipal utilities. Municipal utilities are exempt from income taxes and therefore no income tax liability is recorded.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
G. Budgetary Information

Budgets

The Village's budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the individual account level.

Budget amounts include appropriations authorized in the original budget, any board approved amendments, appropriations of restricted resources received for funding specific expenditures and designated portions of the beginning balance of the general fund's equity expected to finance expenditures of the current fiscal year. Unused appropriations lapse at year-end unless specifically carried over for financing subsequent year expenditures.

The General Fund includes special revenue funds that do not meet the criteria of an individual fund under GASB 54. The budgetary comparison schedule on page 55 does not include these special revenue funds. A reconciliation is provided to reconcile to the Statement of Revenues, Expenditures and Changes in Fund Balance on page 6.

H. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

I. Tax Incremental Financing District

The Village has one Tax Incremental District (TID). TID's are authorized by Section 66.1105 of the Wisconsin Statutes. It is a method by which the Village can recover its project costs in the designated district of the Village. Those costs are recovered through tax increments, which are placed on the tax rolls. The transactions of the TID are shown in the TIF District No. 1 fund, a major fund.

J. Limitations on the Village Tax Levy

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or 0%. Changes in debt service from one year to the next are generally exempt from this limit.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

1. Summary of Significant Accounting Policies (Continued)
K. Change in Accounting Principle

Effective January 1, 2019, the Village adopted provisions of GASB statement No. 84, Fiduciary Activities. GASB No. 84 on Fiduciary Activities, establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. Implementation of GASB No. 84 Fiduciary Activities replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, Custodial Funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position reports additions and deductions for taxes collected and distributed on behalf of or to other governments.

2. Cash and Cash Equivalents/Investments

As previously discussed, cash for all Village funds are pooled for investment purposes. At December 31, 2019, the cash and investments consist of the following:

Village Deposits		Risks
Petty Cash/Cash on Hand	\$ 200	
Money Market Fund	796,229	Custodial Credit
Deposits with Financial Institutions	17,968,529	Custodial Credit
Wisconsin Local Government Investment Pool	3,280,597	Credit/Interest Rate
Debt Securities	6,196,902	Credit/Interest Rate
Mutual Funds	580,000	Credit
Certificates of Deposit	941,809	Custodial Credit/Interest Rate
Total Cash and Investments	<u>\$ 29,764,266</u>	

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Government-Wide Statement of Net Position	
Cash and Equivalents	\$ 9,726,373
Restricted Cash and Equivalents	10,307,341
Fiduciary Statement of Net Position	
Cash and Equivalents	<u>9,730,552</u>
	<u>\$ 29,764,266</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

2. Cash and Cash Equivalents/Investments (Continued)

Investments Authorized by Wisconsin Statutes

Investment of Village funds is restricted by State Statutes. Available investments are limited to:

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTA/E district, village, city, town, or school district of this State;
- (4) 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 assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Village plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government;
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
- (9) Repurchase agreements with public depositories with certain conditions;
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, and the Wisconsin Aerospace Authority.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Village's investment policy states that it will minimize this risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Village's investments included the following:

Investment Type	Investment Maturities			
	Fair Value	Less Than 6 Months	6 Months to 1 Year	1 Year to 5 Years
Local Government Investment Pool	\$ 3,280,597	\$ 3,280,597	\$ -	\$ -
Debt Securities	6,196,902	4,302,550	1,894,372	-
Certificates of Deposit	941,809	107,028	170,236	664,545
Total	<u>\$ 10,419,308</u>	<u>\$ 7,690,154</u>	<u>\$ 2,064,609</u>	<u>\$ -</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

2. Cash and Cash Equivalents/Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's formal investment policy limits this risk by limiting investments to the type of securities permitted by state statutes. As of December 31, 2019, the Village's investments were rated as follows:

Investment Type	Rating	Fair Value
Local Government Investment Pool	Unrated	\$ 3,280,597
Mortgage Bond	AA+	1,607,162
Mortgage Bond	AAA	1,101,835
United States Treasury Bills	AAA	649,649
United States Treasury Notes	AA+	2,838,256
Mutual Funds	AAA	580,000
		<u>\$ 10,057,499</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The Village does not have an investment policy for custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. 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 be significant to individual organizations.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://www.dhs.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

2. Cash and Cash Equivalents/Investments (Continued)

At December 31, 2019, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2019 was: 88.05% in U.S. Government Securities, 2.7% in Certificates of Deposit and Bankers' Acceptances and 9.25% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

As of December 31, 2019, none of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. Deposits were exposed to custodial credit risk as follows:

Insured by Federal Deposit Insurance	\$ 15,670,551
Insured State Deposit Insurance	741,070
	<u>\$ 16,411,621</u>

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year exceeding uninsured amounts at the balance sheet date.

Concentration of Credit Risk

The Village does not have a policy for concentration of credit risk. No Village investment represents 5% or more of the total investments.

Restricted Cash

The following schedule details the restricted cash at December 31, 2019:

	Governmental Funds	Business-Type Funds
	Water Utility	Sewer Utility
Impact Fees	\$ 1,001,728	\$ 705,131
Unspent Bond Proceeds	7,552,091	539,811
Water Replacement Fund	-	508,580
	<u>\$ 8,553,819</u>	<u>\$ 1,753,522</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

3. Fair Value Measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

The Village uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the Village's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Village uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Village measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of December 31, 2019		
	Fair Value	Level 1	Level 2 Level 3
Mutual Funds	\$ 580,000	\$ 580,000	\$ -
Mortgage Bonds	2,708,997	-	2,708,997
Treasury Notes & Bills	3,487,905	-	3,487,905
	<u>\$ 6,776,902</u>	<u>\$ 580,000</u>	<u>\$ 6,196,902</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

4. Capital Assets

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

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
Governmental Activities				
Non-depreciable Capital Assets:				
Land and Improvements	\$ 5,906,620	\$ 3,795,262	\$ -	\$ 9,701,882
Conservation Easements	1,268,267	-	-	1,268,267
Construction in Progress	1,104,965	2,502,065	2,770,612	836,418
Total Non-depreciable Capital Assets	8,279,852	6,297,327	2,770,612	11,806,567
Capital Assets Being Depreciated:				
Buildings and Improvements	3,829,693	1,220,197	134,165	4,915,725
Liquipment	1,666,227	219,487	178,568	1,707,146
Infrastructure	21,739,696	1,302,477	-	23,042,173
Total Capital Assets Being Depreciated	27,235,616	2,742,161	312,733	29,665,044
Total Capital Assets	<u>\$ 35,515,468</u>	<u>\$ 9,039,488</u>	<u>\$ 3,083,345</u>	<u>\$ 41,471,611</u>

Less: Accumulated Depreciation for:

Buildings and Improvements	\$ 1,683,557	\$ 166,474	\$ 107,465	\$ 1,742,566
Equipment	884,138	173,068	162,681	894,525
Infrastructure	11,791,472	723,770	-	12,515,242
Total Accumulated Depreciation	14,359,167	1,063,312	270,146	15,152,333
Capital Assets Net of Depreciation	<u>\$ 21,156,301</u>	<u>\$ 7,976,176</u>	<u>\$ 2,813,199</u>	<u>\$ 26,319,278</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 68,570
Public Safety	3,456
Public Works	818,308
Conservation and Development	5,017
Culture, Recreation and Education	167,961
Total Governmental Activities Depreciation Expense	<u>\$ 1,063,312</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

4. Capital Assets (Continued)

Capital assets activity in the business-type activities for the year ended December 31, 2018 was as follows:

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
Business-Type Activities				
Water Utility				
Non-depreciable Capital Assets:				
Land	\$ 127,420	\$ -	\$ -	\$ 127,420
Construction Work in Progress	33,703	90,102	-	123,805
Total Non-depreciable Capital Assets	161,123	90,102	-	251,225
Capital Assets Being Depreciated:				
Source of Supply	571,827	-	-	571,827
Pumping Equipment	1,937,634	-	-	1,937,634
Water Treatment	8,155	-	-	8,155
Transmission and Distribution	10,171,184	467,408	2,400	10,636,192
Administrative and General Assets	191,782	-	-	191,782
Total Capital Assets Being Depreciated	12,880,582	467,408	2,400	13,345,590
Total Capital Assets	13,041,705	557,510	2,400	13,596,815
Less: Accumulated Depreciation	(2,536,356)	(300,660)	(1,897)	(2,835,119)
Capital Assets Net of Depreciation	\$ 10,505,349	\$ 256,850	\$ 503	\$ 10,761,696

Business-Type Activities
Sewer Utility

	Balance 1/1/19	Additions	Retirements	Balance 12/31/19
Non-depreciable Capital Assets:				
Land	\$ 53,025	\$ -	\$ -	\$ 53,025
Total Non-depreciable Capital Assets	53,025	-	-	53,025
Capital Assets Being Depreciated:				
Collection	6,697,486	375,949	-	7,073,435
Pumping Equipment	224,019	-	-	224,019
Administrative and General Assets	109,666	-	-	109,666
Total Capital Assets Being Depreciated	7,031,171	375,949	-	7,407,120
Total Capital Assets	7,084,196	375,949	-	7,460,145
Less: Accumulated Depreciation	(2,265,829)	(135,412)	-	(2,401,241)
Capital Assets Net of Depreciation	\$ 4,818,367	\$ 240,537	\$ -	\$ 5,058,904

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

4. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water Utility	\$ 292,849
Sewer Utility	143,223
Total	<u>\$ 436,072</u>

5. Long-Term Obligations

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

	Balance 1/1/19	Increases	Decreases	Balance 12/31/19
Governmental Activities				
Bonds, Notes and Other Payables:				
General Obligation Bonds and Notes	\$ 13,165,000	\$ 6,290,000	\$ 1,170,000	\$ 18,285,000
Notes from Direct Borrowing	845,000	2,000,000	105,000	2,740,000
Capital Lease Obligations	31,043	-	31,043	-
Add/(Subtract) Deferred Amounts For:				
(Discounts)/Premiums	108,080	372,810	12,585	468,305
Sub-Total	14,149,123	8,662,810	1,318,628	21,493,305
Other Liabilities:				
Compensated Absences	45,401	-	8,408	36,993
Total Other Liabilities	45,401	-	8,408	36,993
Total Governmental Activities				
Long-Term Liabilities	\$ 14,194,524	\$ 8,662,810	\$ 1,327,036	\$ 21,530,298
Business-Type Activities				
General Obligation Bonds and Notes	\$ 2,240,000	\$ 545,000	\$ 150,000	\$ 2,635,000
Direct Borrowing - Revenue Bonds	430,561	-	26,454	404,107
Add/(Subtract) Deferred Amounts For:				
(Discounts)/Premiums	56,752	30,099	6,318	80,533
Sub-Total	2,727,313	575,099	182,772	3,119,640
Other Liabilities:				
Compensated Absences	-	12,916	-	12,916
Total Other Liabilities	-	12,916	-	12,916
Total Business-Type Activities				
Long-Term Liabilities	\$ 2,727,313	\$ 588,015	\$ 182,772	\$ 3,132,556

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

5. Long-Term Obligations (Continued)

Payments on the bonds and notes payable that pertain to the Village's governmental activities are made by the debt service funds, except for TIF debt. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund and the liability attributable to the business-type activities will be liquidated by the Water and Sewer utilities.

General Obligation Debt

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

Cities, Villages, and Townships are statutorily limited to using 5% of their equalized value to borrow general obligation debt. According to these state statutes, the Village of Windsor is limited to borrowing \$50,007,875. General obligation debt subject to this limit is \$23,660,000 leaving the Village with an available debt margin of \$26,347,875 as of December 31, 2019.

General obligation long-term debt issues outstanding at December 31, 2019 and total debt outstanding were as follows:

Original Amount	Date of Issue	Year of Maturity	Interest Rate	Outstanding Principal	Amount Due Within One Year
Governmental Activities					
\$ 2,160,000	2/16/2015	2025	0.5-2.3%	\$ 1,300,000	\$ 275,000
500,000	3/31/2015	2025	2.47%	300,000	50,000
3,000,000	10/7/2015	2035	3.0-4.125%	3,000,000	75,000
690,000	6/21/2016	2026	2.00-2.75%	35,000	5,000
550,000	2/2/2017	2027	2.65%	440,000	55,000
5,975,000	9/5/2018	2038	3.0-3.375%	5,870,000	180,000
2,240,000	9/5/2018	2023	2.6-3.0%	1,790,000	450,000
6,290,000	9/26/2019	2032	3.00%	6,290,000	335,000
1,300,000	10/4/2019	2029	3.75%	1,300,000	-
700,000	12/13/2019	2029	3.75%	700,000	-
Total Governmental Activities -- General Obligation Debt				\$ 21,025,000	\$ 1,425,000
Business-Type Activities					
Water Utility					
\$ 1,280,000	6/21/2016	2029	2.00-3.00%	\$ 1,025,000	\$ 95,000
1,180,000	7/12/2017	2035	1.20-3.25%	1,065,000	60,000
545,000	6/29/2019	2032	3.00%	545,000	50,000
Total Business-Type Activities -- General Obligation Debt				\$ 2,635,000	\$ 205,000

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

5. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The annual payments necessary to retire the general obligation debt including interest are as follows:

Governmental Activities				
General Obligation Debt				
Year	Principal	Interest	Total	
2020	\$ 1,320,000	\$ 635,865	\$ 1,955,865	
2021	1,250,000	521,200	1,771,200	
2022	1,260,000	488,425	1,748,425	
2023	1,280,000	452,619	1,732,619	
2024	955,000	415,344	1,370,344	
2025-2029	5,720,000	1,594,988	7,314,988	
2030-2034	4,885,000	673,638	5,558,638	
2035-2038	1,615,000	123,431	1,738,431	
Total	\$ 18,285,000	\$ 4,905,509	\$ 23,190,509	

Governmental Activities				
Notes from Direct Borrowings				
Year	Principal	Interest	Total	
2020	\$ 105,000	\$ 19,183	\$ 124,183	
2021	271,141	119,913	391,054	
2022	305,830	82,516	388,346	
2023	313,561	72,277	385,838	
2024	321,028	31,909	352,937	
2025-2029	1,423,640	149,353	1,572,993	
Total	\$ 2,740,000	\$ 475,151	\$ 3,215,151	

Business-Type Activities				
General Obligation Debt				
Year	Principal	Interest	Total	
2020	\$ 205,000	\$ 72,762	\$ 277,762	
2021	200,000	61,091	261,091	
2022	195,000	56,568	251,568	
2023	200,000	51,850	251,850	
2024	205,000	46,779	251,779	
2025-2029	1,075,000	151,094	1,226,094	
2030-2034	480,000	44,900	524,900	
2035	75,000	1,219	76,219	
Total	\$ 2,635,000	\$ 486,262	\$ 3,121,262	

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

5. Long-Term Obligations (Continued)

Revenue Debt

Business-type activities revenue bonds are payable only from revenue derived from the operation of the water and sewer utilities. Revenue debt outstanding at December 31, 2019 is as follows:

Original Amount	Date of Issue	Year of Maturity	Interest Rate	Outstanding Principal	Amount Due Within One Year
Business-Type Activities					
Water Utility					
\$ 500,000	6/12/2013	2033	1.155%	\$ 404,107	\$ 26,760
Total Business-Type Activities -- Revenue Debt				<u>\$ 404,107</u>	<u>\$ 26,760</u>

Debt service requirements to maturity are as follows:

Business-Type Activities				
Revenue Debt - Direct Borrowings				
Year	Principal	Interest	Total	
2020	\$ 26,760	\$ 4,513	\$ 31,273	
2021	27,069	4,202	31,271	
2022	27,382	3,888	31,269	
2023	27,698	3,569	31,267	
2024	28,018	3,248	31,266	
2025-2029	145,019	11,281	156,299	
2030-2033	122,162	2,842	125,004	
Total	<u>\$ 404,107</u>	<u>\$ 33,542</u>	<u>\$ 437,649</u>	

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

5. Long-Term Obligations (Continued)

Revenue Debt (Continued)

The Village issued revenue bonds that require restrictive provisions and covenants. The more major provisions require that reserves be maintained and that the net revenues for each fiscal year provide debt coverage at least equal to 110% in the Water Fund.

The following is the bond reserves of the Water Fund and the calculations of the coverage as of December 31, 2019:

Bond Reserves		Windsor
Replacement Account	\$ 508,580	Water Utility
Total	<u>\$ 508,580</u>	
Coverage Covenant Calculation		
Gross Revenue	\$ 803,353	
Other Revenues	63,054	
Operation and Maintenance Expenses - (Excluding Depreciation)	<u>(395,601)</u>	
Net Revenues	<u>\$ 470,806</u>	
Maximum annual debt service	<u>\$ 31,273</u>	
Percent Coverage	1505%	
Percent Coverage Required	110%	

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

6. Interfund Transactions

The following interfund payables and receivables were outstanding as of December 31, 2019.

Receivable Fund	Payable Fund	Amount	Purpose
General	Community Center (Custodial)	\$ 16,756	Operations
General	TIF District #1	493,499	Cash shortfall
CDA	General	50,271	Operations
General	Water Utility	4,937	Reimbursement
General	Sewer Utility	1,361	Reimbursement
Sub-Total - Fund Financial Statements		566,824	
Less: Fund Eliminations		(543,770)	
Less: Interfund with Custodial Funds		(16,756)	
Total - Government-Wide Statement of Net Position		\$ 6,298	

For the Statement of Net Position, interfund balances which are owed within the governmental or business activities are netted and eliminated.

The following are interfund transfers that occurred:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Water Utility	\$ 120,000	Tax Equivalent
General Fund	Impact Fee Fund	87,466	Reimbursement
Parkland Fees Fund	General Fund	245,004	Prior Park Fees Collected
Capital Projects	Debt Service	86,632	Proceeds from Land Sales
CDA	General Fund	50,271	Operations
Sub-Total - Governmental Fund Financial Statements		589,373	
Less: Fund Eliminations		(469,373)	
Total Transfers - Government-Wide Statement of Activities		\$ 120,000	

For the Statement of Activities, inter-fund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

7. Leases

Lease of Village Hall - Lessor

On September 4, 2003, the Village entered into a lease with the Dane County Sheriff's Department for occupancy of approximately 2,500 square feet of the existing Village Hall for the period of January 1, 2004 through August 31, 2004. Effective September 1, 2004, the Dane County Sheriff's Department occupied approximately 7,000 square feet of the remodeled Village Hall. The Village occupies and maintains the remaining portion of the building.

The lease term is for twenty-one years commencing January 1, 2004 and ending midnight of the 31st day of December 2024. Effective January 1, 2005, the lease calls for the Sheriff's Department to pay \$12,700 a quarter, on the first day of January, April, July, and October through 2024. The Village received \$50,800 in lease payments in 2019.

Lease of Village Owned Property - Lessor

During 2019 the Village purchased several properties for the purpose of acquiring land for future Village revitalization projects. Several of these properties had tenant rental agreements that transferred to the Village. Most of the remaining rental agreements as of December 31, 2019 are set to expire during 2020 or are on a month to month lease. Rental income from these properties during 2019 was \$27,075.

8. Defined Benefit Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the Legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

8. 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 (2.1%)	Variable Fund Adjustment (42.0%)
2009		
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$65,711 in contributions from the Village.

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%

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

8. Defined Benefit Pension Plan (Continued)

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

At December 31, 2019 the Village reported a liability (asset) of \$216,333 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (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 0.00608072%, which was an increase of 0.00044217% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$143,062.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,490	\$ (297,830)
Changes of assumptions	36,465	-
Net difference between projected and actual earnings on pension plan investments	315,939	-
Changes in proportion and difference between Village contributions and proportionate share of contributions	7,573	(9,955)
Village contributions subsequent to the measurement date	69,082	-
Total	<u>\$ 597,549</u>	<u>\$ (307,785)</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

8. Defined Benefit Pension Plan (Continued)

\$69,082 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2020	\$ 79,130
2021	19,146
2022	36,459
2023	85,947
2024	<u>-</u>
	<u>\$ 220,682</u>

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

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

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 21.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

8. Defined Benefit Pension Plan (Continued)

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

Asset Allocation Targets and Expected Returns As of December 31, 2018			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4	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	5.4

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

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

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

8. Defined Benefit Pension Plan (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 liability (asset)	\$ 859,729	\$ 216,333	\$ (262,082)

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://efw1.gov/publications/cfr.htm>.

Allocation of Pension Plan Disclosures

Pension amounts are allocated between governmental and proprietary funds based on the percentage of required contributions or retirement expenses accounted for in each fund type.

9. Other Postemployment Benefits – Multi-Employer Life Insurance Plan

Plan description. The 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://efw1.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.

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.

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

9. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% 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 \$1,102 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, 2019, the LRLIF Employer reported a liability (asset) of \$147,606 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability (asset) 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 .057204%, which was a decrease of .001714% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$14,227.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

9. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (7,488)
Changes of assumptions	14,084	(31,995)
Net differences between projected and actual earnings on OPEB plan investments	3,527	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,197	(4,019)
Employer contributions subsequent to the measurement date	970	-
Totals	\$ 19,778	\$ (43,502)

\$970 reported as deferred outflows related to OPEB resulting from the Village employer's 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:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (3,341)
2021	(3,341)
2022	(3,341)
2023	(3,837)
2024	(4,347)
Thereafter	(6,487)
Total	\$ (24,694)

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%
Initiation:	0.1% - 5.6%
Seniority/Merit:	Wisconsin 2018 Mortality Table
Mortality:	

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

9. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

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 Securian, 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	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

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.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

9. Other Postemployment Benefits – Multi-Employer Life Insurance Plan (Continued)

Sensitivity of the Village's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the Village's proportionate share of the net OPEB liability (asset) 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 (asset)	\$ 209,979	\$ 147,606	\$ 99,499

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://efl.villageofwindsor.com/publications/efl-fidnet>.

10. Inter-municipal Agreements

Fire Protection

The Village of Windsor, along with the Village of DeForest have entered into an agreement for Fire and EMS services for these two municipalities. Additional municipalities are provided fire protection and emergency services through service contracts.

Each municipality appoints the Village President to the Fire and EMS District Board. Costs are to be shared based upon the equalized values of the respective municipalities. The Village has an equity interest in the District equal to its percentage share of participation. Any participating municipality may withdraw from the District provided 18 months written notice is given to the other municipalities and the District. The withdrawing municipality is due their equity interest in the Fire District equipment and assets less any proportionate share of debt and lease expenditures due.

The Village's equity interest of \$1,181,703 is recorded in the government-wide Statement of Position. Changes in the equity interest are reported on the Statement of Activities.

The equalized valuation percentage for the participating municipalities is as follows:

	2019
Village of Windsor	43%
Village of DeForest	57%
	100%

The Village's share of Fire and EMS District costs in 2019 amounted to \$362,805, excluding fire insurance dues of \$37,130. The latest budget figures indicate the Village's portion of the 2020 budget to be \$453,175. The Fire District issues separate financial statements.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

10. Inter-municipal Agreements (Continued)
Community Center

The Village of Windsor together with the Town of Vienna and Village of DeForest entered into an agreement regarding the programs and operation of the DeForest Area Community and Senior Center (the "Center"). The agreement was executed on July 6, 1993. The Center provides services to seniors in the Windsor / DeForest area and provides a community center for local community events. In 2003, the Village began acting as the fiscal agent for the Center. The Village pays its bills and the employees of the Center are included in the Village's payroll. The cash of the Center is included in the Village's financials as custodial fund.

The communities share in the operation of the Center based upon the proportionate share of a community's population located in the center's service area to the total population of the area served. For 2019, the communities shared in the operations of the center, approximately as follows:

	2019
Village of Windsor	42%
Village of DeForest	55%
Town of Vienna	3%
Total	100.0%

The agreement specifies that the Center is to be governed by a nine (9) member commission including one member of the Village of Windsor Board of Trustees and two (2) Village residents appointed by the Village President. Costs are to be shared by the municipalities based on the populations of the respective municipalities.

The purpose of the commission is to provide oversight over the operations of the DeForest Area Community and Senior Center and the programs and services for the senior citizens of the participating municipalities. The agreement between the villages and the township is a continuing agreement and automatically renews from year to year. The commission has the authority to adopt its own budget and control the financial affairs of the Center. However, either the Windsor Village Board or the DeForest Village Board have the authority to veto the commission's budget. The Village made a payment totaling \$243,999 to the Center in 2019. The latest budget figures indicate the Village's portion of the 2020 Community Center budget is \$248,769. The Village believes that the Center will continue to provide services in the future at similar rates. Financial information of the center as of December 31, 2019 is available at the Village of Windsor village hall and at the Center's office.

The Village has an equity interest in the Center equal to its percentage share of participation. The equity interest relative to financial assets is reported in the governmental activities column of the government-wide Statement of Net Position. Changes in the equity interest are reported on the Statement of Activities. At December 31, 2019 the equity interest was \$920,678.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

11. Fund Balance

The following restrictions and assignments of fund balance were made:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
General Fund						
Cash Management	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000
Prepaid Expenses	14,902	-	-	-	-	14,902
Advances Receivable	493,499	-	-	-	-	493,499
Emergency Management	-	-	-	100,000	-	100,000
Token Creek Conservancy	-	-	24,760	-	-	24,760
Unassigned	-	-	-	-	992,352	992,352
Total General Fund	\$ 508,401	\$ -	\$ 24,760	\$ 100,000	\$ 1,172,352	\$ 1,805,513
Debt Service Fund						
Debt Service	\$ -	\$ 319,175	\$ -	\$ 183,822	\$ -	\$ 502,997
Total Debt Service Fund	\$ -	\$ 319,175	\$ -	\$ 183,822	\$ -	\$ 502,997
TIF District #1						
TIF Fund	\$ -	\$ -	\$ -	\$ -	\$ (493,499)	\$ (493,499)
Total TIF District #1	\$ -	\$ -	\$ -	\$ -	\$ (493,499)	\$ (493,499)
Capital Projects Fund						
Capital Projects Fund	\$ -	\$ 7,509,991	\$ -	\$ 608,529	\$ -	\$ 8,118,520
Total Capital Projects Fund	\$ -	\$ 7,509,991	\$ -	\$ 608,529	\$ -	\$ 8,118,520
Non-Major Funds						
Community Development Authority	\$ -	\$ 382,156	\$ -	\$ -	\$ -	\$ 382,156
Developer Charge-Back	-	13,888	-	-	-	13,888
Purchase of Development Rights Fund	-	13,110	-	-	-	13,110
Parkland Fees	-	218,818	-	-	-	218,818
Capital Projects Reserve/Replacement	-	-	-	326,603	-	326,603
Impact Fee Fund	-	1,001,208	-	-	-	1,001,208
Total Non-Major Funds	\$ -	\$ 1,629,180	\$ -	\$ 326,603	\$ -	\$ 1,955,783
Total	\$ 508,401	\$ 9,458,346	\$ 24,760	\$ 1,218,954	\$ 678,853	\$ 11,889,314
Deficit Fund Balance						

The deficit in the TIF District #1 is anticipated to be covered by future tax increment.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

12. Net Position

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

Governmental Activities	
Net Investment in Capital Assets	
Capital assets, net	\$ 26,319,278
Less: Current portion of long-term debt	(1,425,000)
Less: Long-term debt outstanding	(19,600,000)
Plus: Unspent bond proceeds	7,552,091
Plus: Debt not related to capital assets	2,720,000
Total Net Investment in Capital Assets	<u>\$ 15,566,369</u>
Restricted Net Position	
Special Revenues	245,816
Capital Projects	1,567,637
Debt Service	701,331
Total Restricted Net Position	<u>2,514,784</u>
Unrestricted Net Position	
Total Net Position	<u>\$ 20,210,073</u>

Business-Type Activities	
Net Investment in Capital Assets	
Capital Assets, net	
Less: related long-term debt outstanding	
Unspent Bond Proceeds	
Net Investment in Capital Assets	
Restricted Net Position	
Replacement Funds	
Impact Fees	
Total Restricted Net Position	
Unrestricted Net Position	
Total Net Position	

	Water	Sewer	Total
	Utility	Utility	
	\$ 10,761,696	\$ 5,058,904	\$ 15,820,600
	(3,119,640)	-	(3,119,640)
	539,811	-	539,811
	<u>8,181,867</u>	<u>5,058,904</u>	<u>13,240,771</u>
	508,580	-	508,580
	<u>705,131</u>	<u>-</u>	<u>705,131</u>
	<u>1,213,711</u>	<u>-</u>	<u>1,213,711</u>
	1,616,250	2,060,921	3,677,171
	<u>\$ 11,011,828</u>	<u>\$ 7,119,825</u>	<u>\$ 18,131,653</u>

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

13. Prior Period Adjustment

Prior implementation of GASB Statement Nos. 68 and 75 included allocations of the Village's WRS pension asset and Retiree Life Insurance OPEB to the DeForest Area Community Center. Additional clarification was provided that concludes these GASB statements are applicable to the "Employer". As the Village is the employer of all of the Community Center employees, the corresponding assets, deferred outflows, liabilities and deferred inflows should remain with the Village. The restatement above is the amounts previously allocated to the Community Center in the prior year. A prior period adjustment has been recorded effective January 1, 2019, as follows:

	Governmental Activities
Net Position - As Stated December 31, 2018	\$ 17,794,960
Allocation of WRS Pension	50,873
Allocation of OPEB Retiree Life Insurance	(71,143)
Net Position - As restated January 1, 2019	<u>\$ 17,774,690</u>

14. Tax Abatements

Developer Commitments and Incentives

The Village has a developer incentive obligation dated July 28, 2015, that is a pay-as-you-go agreement where the Village has agreed to pay a developer up to \$355,000 contingent upon the developer meeting several conditions. Once these conditions are met, the Village will make annual payments equal to 60% of the project increment revenue generated in the TIF district. No liability has been accrued in the financial statements as there are various conditions that need to be met annually. The Village made the first payments during 2019 totaling \$175,304, leaving \$179,695 left as a potential future payment.

The Village has a second developer incentive obligation dated December 7, 2017, that is a pay-as-you-go agreement where the Village has agreed to pay a developer up to \$500,000 contingent upon the developer meeting several conditions. Once these conditions are met, the Village will make annual payments equal to 60% of the project increment revenue generated in the TIF district. No liability has been accrued in the financial statements as there are various conditions that need to be met annually. The Village made the first payment during 2019 totaling \$91,190, leaving \$408,810 left as a potential future payment.

15. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error and omissions; workers compensation; and health care of its employees. All risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years.

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VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2019

16. Subsequent Events and Commitments

Subsequent Debt

On March 19, 2020, the Village issued \$7,765,000 in general obligation bonds. These bonds carry an interest rate of 2.0% to 3.0% with final maturity on March 1, 2040. The bonds are being issued for various capital projects and water utility projects.

Construction Commitment

During 2020 the Village entered into several construction projects and contract commitments. The following projects were approved and started in 2020:

- Public Works and Police Facilities - \$4,880,000
- Annual Road Construction Projects - \$652,500
- County Highway DM Reconstruction Project - \$2,820,000

Projects and Improvements

In 2020, the Village has approved the following projects, equipment purchases and improvements:

- Various property purchases for future Village revitalization plans - \$1,075,000
- Patrol/Plow Truck and Attachment Equipment - \$175,500

Other

The recent spread of the COVID-19 coronavirus has created economic uncertainty internationally. The potential of COVID-19 having a financial and economic impact on the Village is a possibility, although no such impact is known at this time.

17. Future Accounting Standards

GASB has adopted GASB Statement No. 87, Leases. When this becomes effective, application of this standard may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WINDSOR

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variance) - General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,070,006	\$ 2,070,006	\$ 2,070,003	\$ (3)
Other Taxes	75,058	75,058	114,135	39,077
Intergovernmental	397,294	441,063	442,292	1,227
Licenses and Permits	248,350	248,350	268,907	20,557
Fines, Forfeits and Penalties	20,000	20,000	11,805	(8,195)
Public Charges for Services	473,799	473,799	464,023	(9,776)
Interest Income	17,200	17,200	63,212	46,012
Miscellaneous Income	11,000	11,000	25,276	14,276
Total Revenues	3,312,207	3,356,278	3,460,253	103,775
EXPENDITURES				
Current:				
General Government	978,220	978,220	962,674	15,546
Public Safety	944,401	906,240	947,913	(41,673)
Public Works	1,133,709	1,179,647	1,079,254	100,393
Culture, Recreation and Education	264,749	264,749	263,571	1,178
Conservation and Development	32,500	32,500	26,779	5,721
Total Expenditures	3,253,579	3,361,356	3,280,191	81,165
Excess (Deficiency) of Revenues Over Expenditures	(40,872)	(4,078)	180,062	184,940

OTHER FINANCING SOURCES (USES)

Transfers In	90,000	205,201	207,466	(2,265)
Transfer Out	(48,900)	(48,900)	(295,275)	(246,315)
Total Other Financing Sources and Uses	41,100	156,301	(87,809)	(248,580)
Net Change in Fund Balances	168	151,363	92,253	(59,110)
Fund Balances - Beginning	1,605,563	1,605,563	1,605,563	-
Fund Balances - Ending	\$ 1,605,731	\$ 1,756,926	\$ 1,697,816	\$ (59,110)

Reconciliation of Fund Balance:

Budgetary Fund Balance		\$ 1,697,816
Perspective Differences:		
Revenues not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance	140,074	
Expenditures not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance	(143,789)	
Beginning fund balance of funds not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance	111,412	
Fund Balance per Statement of Revenues, Expenditures, and Changes in Fund Balance:		\$ 1,805,513

See accompanying notes to the required supplementary information

VILLAGE OF WINDSOR
WISCONSIN RETIREMENT SYSTEM SCHEDULES
December 31, 2019

Schedule of Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	0.00608072%	\$ 216,333	\$ 980,754	22.06%	96.45%
2017	0.00563855%	(167,415)	905,549	(18.49%)	102.93%
2016	0.00589392%	48,580	829,789	5.85%	99.12%
2015	0.00555326%	90,239	809,490	11.15%	98.20%
2014	0.00549710%	(135,024)	780,090	(17.31%)	102.74%

Schedule of Village's Contributions
For the Year Ended

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 69,082	\$ (69,082)	\$ -	\$ 1,054,689	6.55%
2018	65,711	(65,711)	-	980,755	6.70%
2017	61,577	(61,577)	-	905,549	6.80%
2016	55,045	(55,045)	-	829,789	6.63%
2015	27,251	(27,251)	-	809,490	3.37%

See accompanying notes to the required supplementary information

REQUIRED SUPPLEMENTARY INFORMATION
Village of Windsor
Local Retiree Life Insurance Fund Schedules
December 31, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered-employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
Year ended December 31,					
2018	0.05720400%	\$ 147,606	\$ 947,000	15.59%	48.69%
2017	0.05891800%	\$ 177,260	\$ 2,477,670	7.15%	44.81%

SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE YEAR ENDED

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
Year ended December 31,					
2019	\$ 970	\$ (970)	\$ -	\$ 1,048,450	0.09%
2018	\$ 1,078	\$ (1,078)	\$ -	\$ 961,851	0.11%

See accompanying notes to the required supplementary information

VILLAGE OF WINDSOR
Notes to the Required Supplementary Information
December 31, 2019

1. Budgetary Comparison Schedule

A. Basis of Accounting

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. See Note 1(C) in the notes to the financial statements for more information on the Village's budgetary information.

B. Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. One expenditure function reported excess of actual expenditures over budget for the year ended December 31, 2019 as follows:

	Excess
Public Safety	Expenditures
	\$ 41,673

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

Changes of benefit terms

There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions

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

3. Local Retiree Life Insurance Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 8 preceding years.

Changes of benefit terms

There were no changes of benefit terms for any participating employer in 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.

SUPPLEMENTARY INFORMATION

VILLAGE OF WINDSOR

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2019

	Special Revenue Funds		Capital Projects Funds			CDA		Total Non-Major Governmental Funds
	Parkland Fees	Developer Chargeback Fund	Purchase of Development Rights	Capital Projects Reserve / Replacement	Impact Fee	Community Development Authority		
ASSETS								
Cash and Cash Equivalents	\$ 218,818	\$ 75,937	\$ 13,110	\$ 376,971	\$ -	\$ 338,920	\$	1,023,756
Restricted Cash	-	-	-	-	1,001,728	-	-	1,001,728
Receivables:								
Other	-	56,574	-	-	-	-	-	56,574
Due from Other Funds	-	-	-	-	-	50,271	-	50,271
Total Assets	<u>\$ 218,818</u>	<u>\$ 132,511</u>	<u>\$ 13,110</u>	<u>\$ 376,971</u>	<u>\$ 1,001,728</u>	<u>\$ 389,191</u>	<u>\$</u>	<u>2,132,329</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts Payable & Accrued Liabilities	\$ -	\$ 15,135	\$ -	\$ 50,368	\$ 520	\$ 7,035	\$	73,058
Accrued Liabilities	-	103,488	-	-	-	-	-	103,488
Total Liabilities	<u>-</u>	<u>118,623</u>	<u>-</u>	<u>50,368</u>	<u>520</u>	<u>7,035</u>	<u>-</u>	<u>176,546</u>
Fund Balances:								
Restricted	218,818	13,888	13,110	-	1,001,208	382,156		1,629,180
Assigned	-	-	-	326,603	-	-	-	326,603
Total Fund Balances	<u>218,818</u>	<u>13,888</u>	<u>13,110</u>	<u>326,603</u>	<u>1,001,208</u>	<u>382,156</u>	<u>-</u>	<u>1,955,783</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 218,818</u>	<u>\$ 132,511</u>	<u>\$ 13,110</u>	<u>\$ 376,971</u>	<u>\$ 1,001,728</u>	<u>\$ 389,191</u>	<u>\$</u>	<u>2,132,329</u>

VILLAGE OF WINDSOR

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2019**

	Special Revenue Funds			Capital Projects Funds				CDA	Total
	Parkland Fees	Developer Chargeback Fund	Purchase of Development Rights	Capital Projects Reserve / Replacement	Impact Fee	Community Development Authority	Non-Major Governmental Funds		
REVENUES									
Property Taxes	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000
License and Permits	-	-	-	-	70,364	4,817	-	-	75,181
Public Charges for Services	90,087	-	-	-	27,625	-	-	-	117,712
Interest Income	915	340	263	6,499	21,970	6,291	-	-	36,278
Miscellaneous Income	-	-	-	63,505	-	2,950	-	-	66,455
Total Revenues	91,002	340	263	160,004	119,959	14,058	-	-	385,626
EXPENDITURES									
Current:									
General Government	-	-	-	10,403	14,331	23,831	-	-	48,565
Public Works	-	-	-	-	-	180	-	-	180
Culture, Recreation and Education	117,188	-	-	-	-	-	-	-	117,188
Capital Outlay	-	-	-	103,007	-	-	-	-	103,007
Total Expenditures	117,188	-	-	113,410	14,331	24,011	-	-	268,940
Excess (Deficiency) of Revenues Over Expenditures	(26,186)	340	263	46,594	105,628	(9,953)	-	-	116,686
OTHER FINANCING SOURCES (USES)									
Transfers In	245,004	-	-	-	-	50,271	-	-	295,275
Transfers Out	-	-	-	-	(87,466)	-	-	-	(87,466)
Total Other Financing Sources and Uses	245,004	-	-	-	(87,466)	50,271	-	-	207,809
Net Change in Fund Balances	218,818	340	263	46,594	18,162	40,318	-	-	324,495
Fund Balances - Beginning	-	13,548	12,847	280,009	983,046	341,838	-	-	1,631,288
Fund Balances - Ending	\$ 218,818	\$ 13,888	\$ 13,110	\$ 326,603	\$ 1,001,208	\$ 382,156	\$ -	\$ -	\$ 1,955,783

Village of Windsor

Debt Repayment Summary
Governmental Activities
Principal Payments
December 31, 2019

Year	2015 GO	2015 GO	2015 GO	2015 GO	2016 GO	2017 GO	2018 GO	2018 GO	2019 GO	2019 GO	2019 GO	2019 GO	Total GO Debt
2020	\$ 275,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 5,000	\$ 55,000	\$ 180,000	\$ 450,000	\$ 335,000	\$ -	\$ -	\$ -	\$ 1,425,000
2021	275,000	100,000	50,000	50,000	5,000	55,000	165,000	450,000	255,000	61,002	61,002	61,002	1,521,141
2022	250,000	125,000	50,000	50,000	5,000	55,000	205,000	450,000	225,000	69,978	69,978	69,978	1,565,830
2023	200,000	125,000	50,000	50,000	5,000	55,000	185,000	440,000	325,000	72,602	72,602	72,602	1,593,361
2024	150,000	125,000	50,000	50,000	5,000	55,000	265,000	-	410,000	75,274	75,274	75,274	1,276,028
2025	150,000	150,000	50,000	50,000	5,000	55,000	255,000	-	430,000	78,148	78,148	78,148	1,319,276
2026	-	175,000	-	-	5,000	55,000	395,000	-	490,000	81,078	81,078	81,078	1,352,686
2027	-	200,000	-	-	-	55,000	400,000	-	575,000	84,119	84,119	84,119	1,471,412
2028	-	200,000	-	-	-	-	425,000	-	605,000	87,255	87,255	87,255	1,480,412
2029	-	200,000	-	-	-	-	430,000	-	630,000	90,545	90,545	90,545	1,519,855
2030	-	225,000	-	-	-	-	325,000	-	630,000	-	-	-	1,180,000
2031	-	225,000	-	-	-	-	325,000	-	675,000	-	-	-	1,225,000
2032	-	250,000	-	-	-	-	325,000	-	705,000	-	-	-	1,280,000
2033	-	275,000	-	-	-	-	325,000	-	-	-	-	-	600,000
2034	-	275,000	-	-	-	-	325,000	-	-	-	-	-	600,000
2035	-	275,000	-	-	-	-	325,000	-	-	-	-	-	600,000
2036	-	-	-	-	-	-	325,000	-	-	-	-	-	325,000
2037	-	-	-	-	-	-	340,000	-	-	-	-	-	340,000
2038	-	-	-	-	-	-	350,000	-	-	-	-	-	350,000
	\$ 1,300,000	\$ 3,000,000	\$ 300,000	\$ 300,000	\$ 35,000	\$ 440,000	\$ 5,870,000	\$ 1,790,000	\$ 6,290,000	\$ 1,300,000	\$ 700,000	\$ 21,025,000	

Village of Windsor

**Debt Repayment Summary
Governmental Activities
Interest Payments
December 31, 2019**

Year	2015 GO	2015 GO	2015 GO	2016 GO	2017 GO	2018 GO	2018 GO	2019 GO	2019 GO	2019 GO	2019 GO	Total GO
2020	\$ 21,569	\$ 116,094	\$ 7,523	\$ 863	\$ 11,660	\$ 180,294	\$ 52,125	\$ 264,921	\$ -	\$ -	\$ -	\$ 655,047
2021	17,375	113,844	6,252	738	10,203	174,894	39,525	174,825	70,521	32,938	32,938	641,113
2022	12,925	110,844	5,001	613	8,745	169,944	26,475	167,625	44,807	23,962	23,962	570,941
2023	8,675	107,094	3,751	481	7,288	163,794	13,200	159,375	39,900	21,338	21,338	524,896
2024	5,063	103,344	2,508	344	5,830	158,244	-	148,350	4,905	18,667	18,667	447,253
2025	1,725	98,344	1,250	206	4,373	150,294	-	135,750	29,531	15,793	15,793	437,266
2026	-	92,344	-	69	2,915	142,644	-	121,950	24,051	12,862	12,862	396,835
2027	-	85,344	-	-	1,458	130,794	-	105,975	18,366	9,822	9,822	351,758
2028	-	77,344	-	-	-	118,794	-	88,275	12,502	6,686	6,686	303,600
2029	-	69,344	-	-	-	106,044	-	69,750	6,349	3,395	3,395	254,882
2030	-	61,344	-	-	-	93,144	-	50,850	-	-	-	205,338
2031	-	52,344	-	-	-	83,394	-	31,275	-	-	-	167,013
2032	-	43,344	-	-	-	73,644	-	10,575	-	-	-	127,563
2033	-	33,344	-	-	-	63,894	-	-	-	-	-	97,238
2034	-	22,344	-	-	-	54,144	-	-	-	-	-	76,488
2035	-	11,344	-	-	-	43,988	-	-	-	-	-	55,331
2036	-	-	-	-	-	33,425	-	-	-	-	-	33,425
2037	-	-	-	-	-	22,863	-	-	-	-	-	22,863
2038	-	-	-	-	-	11,813	-	-	-	-	-	11,813
	\$ 67,331	\$ 1,198,000	\$ 26,285	\$ 3,313	\$ 52,470	\$ 1,976,044	\$ 131,325	\$ 1,529,496	\$ 250,932	\$ 145,464	\$ 145,464	\$ 5,380,660

Village of Windsor

Debt Repayment Summary Proprietary Funds Principal Payments December 31, 2019

Year	Water 2013 CWFL	Water 2016 GO	Water 2017 GO	Water 2019 GO	Total Debt
2020	\$ 26,760	\$ 95,000	\$ 60,000	\$ 50,000	\$ 231,760
2021	27,069	95,000	65,000	40,000	227,069
2022	27,382	95,000	65,000	35,000	222,382
2023	27,698	100,000	65,000	35,000	227,698
2024	28,018	105,000	65,000	35,000	233,018
2025	28,341	105,000	65,000	35,000	233,341
2026	28,669	110,000	70,000	35,000	243,669
2027	29,000	110,000	70,000	45,000	254,000
2028	29,335	120,000	70,000	45,000	264,335
2029	29,674	90,000	60,000	45,000	224,674
2030	30,016	-	65,000	45,000	140,016
2031	30,363	-	65,000	50,000	145,363
2032	30,714	-	65,000	50,000	145,714
2033	31,069	-	70,000	-	101,069
2034	-	-	70,000	-	70,000
2035	-	-	75,000	-	75,000
	<u>\$ 404,107</u>	<u>\$ 1,025,000</u>	<u>\$ 1,065,000</u>	<u>\$ 545,000</u>	<u>\$ 3,039,107</u>

Village of Windsor

Debt Repayment Summary Proprietary Funds Interest Payments December 31, 2019

Year	Water 2013 CWFL	Water 2016 GO	Water 2017 GO	Water 2019 GO	Total Interest
2020	\$ 4,513	\$ 25,198	\$ 24,925	\$ 22,640	\$ 77,275
2021	4,202	22,823	24,019	14,250	65,293
2022	3,888	20,448	22,995	13,125	60,455
2023	3,569	17,885	21,890	12,075	55,419
2024	3,248	15,066	20,688	11,025	50,026
2025	2,922	12,179	19,388	9,975	44,464
2026	2,593	9,223	17,950	8,925	38,691
2027	2,260	6,060	16,375	7,725	32,420
2028	1,923	3,150	14,713	6,375	26,161
2029	1,582	945	13,088	5,025	20,640
2030	1,238	-	11,444	3,675	16,356
2031	889	-	9,656	2,250	12,795
2032	536	-	7,788	750	9,074
2033	179	-	5,763	-	5,942
2034	-	-	3,575	-	3,575
2035	-	-	1,219	-	1,219
	\$ 33,542	\$ 132,975	\$ 235,473	\$ 117,815	\$ 519,804

FORM OF LEGAL OPINION

(See following pages)

December 10, 2020

\$1,915,000*
Village of Windsor, Dane County, Wisconsin
Taxable General Obligation Refunding Bonds, Series 2020B

We have acted as bond counsel in connection with the issuance by the Village of Windsor, Dane County, Wisconsin (the “Village”), of \$1,915,000 aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2020B, dated December 10, 2020 (the “Bonds”). We have examined the law and a certified copy of the proceedings of record of the Village preliminary to and in connection with the issuance of the Bonds, as well as other documents and records which we have deemed necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material related to the Bonds, and we express no opinion relating thereto. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of officers of the Village and other public officials furnished to us, without undertaking to verify the same by independent investigation. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The Bonds are valid and binding general obligations of the Village, payable from a nonrepealable, direct annual tax levied upon all the taxable property of the Village for the express purpose of paying interest on the Bonds as it falls due and also to pay and discharge the principal thereof at maturity.
2. Interest on the Bonds is not excluded for federal income tax purposes from the gross income of the owners of the Bonds under existing law. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers arising with respect to the Bonds, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

Very truly yours,

HUSCH BLACKWELL LLP

* Preliminary; subject to change

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 AGREEMENT

(See following pages)

\$1,915,000*
Village of Windsor
Dane County, Wisconsin
Taxable General Obligation Refunding Bonds, Series 2020B

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) is executed and delivered by the Village of Windsor, Dane County, Wisconsin (the “Village”), in connection with the issuance of \$1,915,000 Taxable General Obligation Refunding Bonds, Series 2020B (the “Bonds”). The Bonds are being issued pursuant to the resolutions adopted by the Village Board on October 15, 2020 and November 19, 2020 (the “Resolutions”). The Village covenants and agrees as follows:

Section 1. Purpose of Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Village for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report provided by the Village pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” shall mean the Village’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 Village intends to continue to prepare in substantially the same form.

“Bondholder” shall mean the registered owner or beneficial owner of any of the Bonds.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Village which has filed with the Village a written acceptance of such designation.

“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” shall mean the fiscal year of the Village, currently ending on December 31 of each year.

* Preliminary; subject to change

“Listed Events” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, D.C. 20005.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 3(e) hereof.

“Official Statement” shall mean the final official statement dated November ____, 2020 delivered in connection with the Bonds, which is available from the MSRB.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

“Village Contact” shall mean the Village Clerk of the Village, 4084 Mueller Road, DeForest, WI 53532.

Section 3. Provision of Annual Reports.

(a) The Village shall, or shall cause the Dissemination Agent to, not later than 365 days after the end of the Village’s Fiscal Year in each year, commencing with the Fiscal Year ending December 31, 2020, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Village shall provide the Annual Report to the Dissemination Agent, if any. In each case, 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 Continuing Disclosure Agreement; provided that the Audited Financial Statements of the Village 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 each Repository as soon as available by the Village.

(b) If the Village is unable or fails to provide an Annual Report to the Repositories by the date required above, the Village shall, in a timely manner, send a notice of that fact to the National Repositories, the MSRB and any State Repository.

(c) The Village shall determine each year prior to the date for providing the Annual Report, the name and address of each National Repository and each State Repository, if any.

- (d) The Dissemination Agent, if any, shall:
- (1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and
 - (2) file a report with the Village certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

(e) The Securities and Exchange Commission has approved the submission of continuing disclosure filings with the Electronic Municipal Market Access (“EMMA”) system established by the MSRB until EMMA shall no longer be the sole National Repository recognized by the Securities and Exchange Commission for purposes of the Rule. All continuing disclosure filings under this Continuing Disclosure Agreement may thereafter be filed solely by transmitting such filings to EMMA at www.emma.msrb.org.

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

Current Property Valuations
Direct Debt
Debt Limit
Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Village is an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Village shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment 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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Village;
- (13) The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, 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 such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee, or the change of the name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Village, any of which affect security holders, 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 Village, any of which reflect financial difficulties.

(b) The Village shall file a notice of the occurrence of any of the Listed Events in a timely manner not in excess of ten business days after the occurrence of the event with the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Village's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Village Contact/Dissemination Agent. Information may be obtained from the Village Contact. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Village may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

Section 10. Default. In the event of a failure of the Village to comply with any provision of this Continuing Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Village to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Resolutions, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Village to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Village agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Village under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, the Participating Underwriters and the Bondholders from time to time of the Bonds and shall create no rights in any other person or entity.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, we have executed this Continuing Disclosure Agreement in our official capacities effective December 10, 2020.

**VILLAGE OF WINDSOR,
DANE COUNTY, WISCONSIN**

[SEAL]

By: _____
Robert Wipperfurth, Village President

By: _____
Christine Capstran, Village Clerk

[Signature Page of Continuing Disclosure Agreement]
Village of Windsor, Dane County, Wisconsin
Taxable General Obligation Refunding Bonds, Series 2020B

NOTICE OF SALE

\$1,915,000* TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B VILLAGE OF WINDSOR, WISCONSIN

Bids for the purchase of \$1,915,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds") of the Village of Windsor, 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 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on November 19, 2020, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 5:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Bonds are authorized pursuant to Section 67.04, Wisconsin Statutes, by the Village of Windsor, Wisconsin (the "Village"), for the purpose of effecting a current refunding of certain outstanding general obligations of the Village as more fully described herein. The Bonds are general obligations of the Village for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 10, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$135,000	2027	\$145,000	2032	\$155,000
2023	140,000	2028	145,000	2033	160,000
2024	140,000	2029	145,000	2034	160,000
2025	140,000	2030	150,000		
2026	145,000	2031	155,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after March 1, 2030 shall be subject to optional redemption prior to maturity on March 1, 2029 or any date thereafter, at a price of par plus accrued interest.

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

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 10, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Husch Blackwell LLP of Milwaukee, Wisconsin, bond counsel to the Village. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than \$1,891,063 nor more than \$2,029,900 plus accrued interest on the principal sum of \$1,915,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 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 \$38,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Board of Trustees

Tina Butteris, Village Administrator
Village of Windsor, Wisconsin

BID FORM

The Board of Trustees
Village of Windsor, Wisconsin

November 19, 2020

RE: **\$1,915,000* Taxable General Obligation Refunding Bonds, Series 2020B (the "Bonds")**
DATED: **December 10, 2020**

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$1,891,063 nor more than \$2,029,900) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2022	_____ % due 2027	_____ % due 2032
_____ % due 2023	_____ % due 2028	_____ % due 2033
_____ % due 2024	_____ % due 2029	_____ % due 2034
_____ % due 2025	_____ % due 2030	
_____ % due 2026	_____ % due 2031	

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

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

A good faith deposit ("Deposit") in the amount of \$38,300 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 10, 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 Bonds.

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

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

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

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

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 10, 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 Board of Trustees of the Village of Windsor, Wisconsin, on November 19, 2020.

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