PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 25, 2021

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

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

New Issue **Non-Rated**

VILLAGE OF TWIN LAKES, WISCONSIN
(Kenosha County)

$2,875,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021B

BID OPENING: March 3, 2021, 10:00 A.M., C.T.
CONSIDERATION: Not later than 11:59 P.M., C.T. on March 3, 2021 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The $2,875,000* General Obligation Promissory Notes, Series 2021B (the "Notes") of the Village of Twin Lakes, Wisconsin (the "Village") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of a new Village Hall. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: March 18, 2021

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2022	$70,000	2026	$295,000	2030	$360,000
2023	300,000	2027	305,000	2031	355,000
2024	295,000	2028	300,000		
2025	295,000	2029	300,000		

***MATURITY ADJUSTMENTS:** The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $50,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on February 1, 2028 and thereafter are subject to call for prior optional redemption on February 1, 2027 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: $2,846,250.

MAXIMUM BID: $3,018,750.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $57,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL & DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

TABLE OF CONTENTS

VILLAGE OF TWIN LAKES
VILLAGE BOARD

		Term Expires
Howard Skinner	Village President	April 2021
Barbara Andres	Village Trustee	April 2022
Sharon Bower	Village Trustee	April 2021
Kevin Fitzgerald	Village Trustee	April 2021
Aaron Karow	Village Trustee	April 2021
Bill Kaskin	Village Trustee	April 2022
Jeremy Knoll	Village Trustee	April 2022

ADMINISTRATION

Laura Roesslein, Village Administrator/Treasurer
Sabrina Waswo, Village Clerk

PROFESSIONAL SERVICES

Pruit, Ekes & Geary, S.C., Village Attorney, Racine, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

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

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Twin Lakes, Wisconsin (the "Village") and the issuance of its $2,875,000* General Obligation Promissory Notes, Series 2021B (the "Notes"). **The Village Board adopted a resolution on February 15, 2021 (the "Parameters Resolution"), which authorizes the Village Administrator/Treasurer or the Village Clerk (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on March 3, 2021, neither the Village Administrator/Treasurer or the Village Clerk will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

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

THE NOTES

GENERAL

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

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

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

OPTIONAL REDEMPTION

At the option of the Village, the Notes maturing on or after February 1, 2028 shall be subject to optional redemption prior to maturity on February 1, 2027 or any date thereafter, at a price of par plus accrued interest.

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

*Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of a new Village Hall.

ESTIMATED SOURCES AND USES*

Sources			
	Par Amount of Notes	$2,875,000	
	Estimated Interest Earnings	3,499	
	Focus on Energy Savings Grant from State	3,000	
	Village Funds on Hand	600,000	
	Total Sources		**$3,481,499**
Uses			
	Estimated Underwriter's Discount	$28,750	
	Costs of Issuance	46,050	
	Deposit to Project Construction Fund	3,402,494	
	Rounding Amount	4,205	
	Total Uses		**$3,481,499**

*Preliminary, subject to change.

SECURITY

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

RATING

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

CONTINUING DISCLOSURE

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

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

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

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the Village.

LEGAL MATTERS

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

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

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

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

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

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

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

BOND PREMIUM

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

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

RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

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

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

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

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

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

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

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

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

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

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

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

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

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

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (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 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of $5,000. The Village's allocation is $99,838. 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. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later that same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through March 20, 2021.

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

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	$949,684,500
2020 Equalized Value Reduced by Tax Increment Valuation	$938,824,800
2020 Assessed Value	$811,033,500

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value[1]	Percent of Total Equalized Value
Residential	$ 871,244,600	91.740%
Commercial	67,633,100	7.122%
Manufacturing	3,944,800	0.415%
Agricultural	585,000	0.062%
Undeveloped	640,500	0.067%
Ag Forest	744,000	0.078%
Forest	912,000	0.096%
Other	1,889,900	0.199%
Personal Property	2,090,600	0.220%
Total	$ 949,684,500	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2016	$704,858,200	$717,040,200	1.81%
2017	710,145,400	770,503,700	7.46%
2018	782,102,300	823,536,600	6.88%
2019	794,395,800	881,056,200	6.98%
2020	811,033,500	949,684,500	7.79%

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 Value[1]	Percent of Village's Total Equalized Value
Richter Enterprises	Grocery Store	$ 5,094,596	0.54%
Allied Partners LLP	Plastic Fabrication	3,744,132	0.39%
Thelen Sand & Gravel Inc.	Sand/Gravel Mine	2,728,211	0.29%
Mills Berwick LLC	Apartments	2,723,527	0.29%
Individual	Real Estate Property	2,563,574	0.27%
Individual	Real Estate Property	2,318,493	0.24%
Tree to Grow, LLC	Plant/Tree Nursery	2,234,418	0.24%
Lakeside Manor LLC	Home Rental	2,211,819	0.23%
Individual	Real Estate Property	2,105,379	0.22%
Waldeck Twin LLC	Real Estate	1,868,260	0.20%
Total		**$ 27,592,409**	**2.91%**

Village's Total 2020 Equalized Value[2]	$949,684,500

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 DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$ 6,594,807

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	$ 1,718,533

*Preliminary, subject to change.

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

Village of Twin Lakes, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 03/18/2021)

	State Trust Fund Loan		Promissory Notes		Refunding Bonds		State Trust Fund Loan		Refunding Bonds Series 2021A	
Dated	11/26/2012		12/04/2012		12/04/2012		08/29/2016		01/28/2021	
Amount	$300,000		$1,590,000		$2,240,000		$199,115		$1,275,000	
Maturity	03/15		11/01		11/01		03/15		09/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	0	0	205,000	9,143	155,000	51,170	0	0	105,000	8,233
2022	22,657	5,600	215,000	4,838	160,000	46,830	19,869	3,164	100,000	12,865
2023	23,506	4,750			115,000	42,350	20,465	2,568	100,000	11,865
2024	24,377	3,879			130,000	39,130	21,073	1,960	105,000	10,865
2025	25,302	2,955			135,000	35,815	21,711	1,322	105,000	9,815
2026	26,251	2,006			140,000	32,238	22,362	671	105,000	8,765
2027	27,235	1,021			150,000	28,388			105,000	7,715
2028					155,000	24,113			110,000	6,665
2029					155,000	19,618			110,000	5,565
2030					155,000	14,968			45,000	4,410
2031					160,000	10,240			45,000	3,938
2032					160,000	5,200			45,000	3,375
2033									45,000	2,813
2034									50,000	2,250
2035									50,000	1,500
2036									50,000	750
	149,328	20,211	420,000	13,980	1,770,000	350,058	105,480	9,686	1,275,000	101,388

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Village of Twin Lakes, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 03/18/2021)

	Promissory Notes Series 2021B								
Dated	03/18/2021								
Amount	$2,875,000*								
Maturity	02/01								
Calendar Year Ending	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2021	0	0	465,000	68,546	533,546	6,129,807	7.05%	**2021**
2022	70,000	51,465	587,525	124,762	712,287	5,542,282	15.96%	**2022**
2023	300,000	35,030	558,971	96,564	655,534	4,983,311	24.44%	**2023**
2024	295,000	32,651	575,450	88,485	663,936	4,407,861	33.16%	**2024**
2025	295,000	29,996	582,013	79,903	661,916	3,825,848	41.99%	**2025**
2026	295,000	26,973	588,613	70,652	659,264	3,237,235	50.91%	**2026**
2027	305,000	23,444	587,235	60,568	647,803	2,650,000	59.82%	**2027**
2028	300,000	19,438	565,000	50,215	615,215	2,085,000	68.38%	**2028**
2029	300,000	15,013	565,000	40,195	605,195	1,520,000	76.95%	**2029**
2030	360,000	9,628	560,000	29,005	589,005	960,000	85.44%	**2030**
2031	355,000	3,284	560,000	17,461	577,461	400,000	93.93%	**2031**
2032			205,000	8,575	213,575	195,000	97.04%	**2032**
2033			45,000	2,813	47,813	150,000	97.73%	**2033**
2034			50,000	2,250	52,250	100,000	98.48%	**2034**
2035			50,000	1,500	51,500	50,000	99.24%	**2035**
2036			50,000	750	50,750	0	100.00%	**2036**
	2,875,000	246,920	6,594,807	742,242	7,337,049			

* Preliminary, subject to change.

Village of Twin Lakes, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 03/18/2021)

	Sewerage System Revenue Bonds (CWFL) Series 2006		Sewerage System Revenue Bonds (CWFL) Series 2011		Sewerage System Revenue Bonds (CWFL) Series 2016							
Dated	11/22/2006		06/22/2011		04/27/2016							
Amount	$520,602		$1,661,830		$623,104							
Maturity	05/01		05/01		05/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2021	29,124	4,241	81,973	23,981	29,395	10,444	140,492	38,666	179,158	1,578,040	8.18%	**2021**
2022	29,845	3,511	83,980	21,949	30,012	9,820	143,837	35,281	179,118	1,434,204	16.54%	**2022**
2023	30,584	2,764	86,036	19,868	30,642	9,183	147,262	31,815	179,077	1,286,942	25.11%	**2023**
2024	31,341	1,997	88,142	17,736	31,286	8,533	150,768	28,267	179,035	1,136,174	33.89%	**2024**
2025	32,117	1,212	90,299	15,552	31,943	7,869	154,359	24,633	178,992	981,815	42.87%	**2025**
2026	32,911	407	92,510	13,315	32,613	7,191	158,035	20,913	178,948	823,780	52.06%	**2026**
2027			94,775	11,022	33,298	6,499	128,073	17,522	145,594	695,707	59.52%	**2027**
2028			97,095	8,674	33,998	5,793	131,092	14,466	145,559	564,615	67.15%	**2028**
2029			99,472	6,268	34,711	5,071	134,183	11,339	145,522	430,432	74.95%	**2029**
2030			101,907	3,803	35,440	4,334	137,347	8,138	145,485	293,085	82.95%	**2030**
2031			104,401	1,278	36,185	3,582	140,586	4,860	145,446	152,499	91.13%	**2031**
2032					36,945	2,815	36,945	2,815	39,759	115,554	93.28%	**2032**
2033					37,720	2,031	37,720	2,031	39,751	77,834	95.47%	**2033**
2034					38,513	1,230	38,513	1,230	39,743	39,321	97.71%	**2034**
2035					39,321	413	39,321	413	39,734	0	100.00%	**2035**
	185,923	14,133	1,020,589	143,447	512,021	84,808	1,718,533	242,388	1,960,920			

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	$ 949,684,500
Multiply by 5%	0.05
Statutory Debt Limit	$ 47,484,225
Less: General Obligation Debt*	(6,594,807)
Unused Debt Limit*	$ 40,889,418

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2020 Equalized Value[2]	% In Village	Total G.O. Debt[3]	Village's Proportionate Share
Kenosha County	$ 17,968,070,600	5.29%	$144,165,000	$ 7,626,329
Gateway Technical College District	52,083,834,750	1.82%	65,005,000	1,183,091
School District of Randall J1	880,426,547	35.38%	4,543,642	1,607,541
School District of Trevor-Wilmot Consolidated	406,316,265	0.34%	4,555,000	15,487
School District of Twin Lakes #4	636,791,244	100.00%	8,548,895	8,548,895
School District of Wilmot (Salem) Union High	2,553,812,292	37.19%	15,275,000	5,680,773
Village's Share of Total Overlapping Debt				$24,662,116

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

2 Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $949,684,500	Debt/ Per Capita 6,189[1]
Total General Obligation Debt*	$ 6,594,807	0.69%	$ 1,065.57
Village's Share of Total Overlapping Debt	24,662,116	2.60%	3,984.83
Total*	$ 31,256,923	3.29%	$ 5,050.40

*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

In the next twelve months, the Village expects to apply for a Taxable Clean Water Fund Loan for wastewater utility plant upgrades in the amount of $13,931,160. Aside from the preceding, the Village has no additional plans for additional financing in the next twelve months.

[1] Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2016/17	$3,626,775	100%	$5.08
2017/18	3,653,982	100%	4.78
2018/19	3,751,130	100%	4.57
2019/20	3,776,011	100%	4.33
2020/21	3,885,754	In process	4.14

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

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

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. The Village did not adopt such a resolution. The Village cannot predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 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 Notes.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total
2016/17	$14.69	$5.05	$5.08	$0.27	$25.09
2017/18	13.79	4.96	4.78	0.09	23.62
2018/19	13.83	4.76	4.57	0.10	23.26
2019/20	13.78	4.53	4.33	0.09	22.73
2020/21	13.43	4.38	4.14	0.08	22.03

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

LEVY LIMITS

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

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

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

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

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

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

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

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

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

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

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

THE ISSUER

VILLAGE GOVERNMENT

The Village is governed by a Village President and six-member Village Board, of which the Village President is a voting member. All Board Members are elected to staggered two-year terms. The appointed Village Administrator/Treasurer and the Village Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 28 full-time, 10 part-time, and one seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the fiscal year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the Village's portion of contributions to WRS (not including any employee contributions) totaled $164,936, $158,055 and $159,959, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

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

As of December 31, 2018, the total pension liability of the WRS was calculated as $100.29 billion and the fiduciary net position of the WRS was calculated as $96.74 billion, resulting in a net pension liability of $3.56 billion. The spread of COVID-19 has impacted and may in the future impact 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 an liability of $557,785 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the Village’s share of contributions to the pension plan relative to the contributions of all participating employers. The Village’s proportion was 0.01567832% of the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.F. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining units represent employees of the Village:

Bargaining Unit	**Expiration Date of Current Contract**
Twin Lakes Police Officers Association Local 332	December 31, 2021
Public Works, Waste Water Treatment Plant Teamsters Local 200	December 31, 2021

OTHER POST EMPLOYMENT BENEFITS

The Village provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the Village and have satisfied specified eligibility standards through a single-employer defined benefit plan. Membership of the plan consisted of 3 retirees receiving benefits and 29 active plan members as of January 2019.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Menard Consulting, Inc., Addison , Illinois, in July 2019 with an actuarial valuation date of January 1, 2018. The Village will have a new actuarial study prepared in 2021.

For Fiscal Year 2019, benefit payments for the plan totaled $36,706. The Village's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2019, the plan's total OPEB liability was $1,170,887 and the plan fiduciary net position was $0, resulting in a net OPEB liability of $1,170,887.

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. For more detailed information, see Note 3.G.1. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

The Village also provides 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 $466. For Fiscal Year 2019, the Village reported a liability of $90,162 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.03494200% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.G.2. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of December 31, 2020)

Fund	Total Cash and Investments
General Fund	$ 2,622,275
TID FUND	33,271
Police Dept. Donations Fund	46,509
Developers Escrow Fund	30,229
Tax Fund	4,548,605
Sewer Utility Fund	1,680,458
Sewer Hook Up Fund	535,252
Sewer Replacement Fund	1,301,677
Park Fund	48,589
Lake Rehabilitation Fund	345,353
Sanitation Fund	86,323
Launch/Marina Fund	329,532
Total Funds on Hand	$ 11,608,073

ENTERPRISE FUNDS

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

	2018 Audited	2019 Audited	2020 Unaudited
Sewer			
Total Operating Revenues	$ 1,670,948	$ 1,670,197	$ 1,765,695
Less: Operating Expenses	(1,178,632)	(1,242,823)	(1,244,052)
Operating Income	$ 492,316	$ 427,374	$ 521,643
Plus: Depreciation	344,007	332,273	333,000
Interest Income	10,414	16,328	4,221
Revenues Available for Debt Service	$ 846,737	$ 775,975	$ 858,864

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				
	2017 Audited	2018 Audited	2019 Audited	2020 Unaudited	2021 Adopted Budget[1]
Revenues					
Taxes	$ 3,349,695	$ 3,362,685	$ 3,430,061	$ 3,358,804	$ 3,556,020
Intergovernmental	411,655	437,018	425,032	551,518	503,938
Licenses and permits	278,328	387,483	427,559	417,443	415,500
Penalties and forfeitures	34,083	30,757	32,198	21,855	25,500
Public charges for services	534,726	554,306	595,970	54,728	702,295
Intergovernmental charges for services	7,612	6,428	7,447	7,903	321,036
Miscellaneous general revenues	258,431	212,865	352,189	294,769	105,500
Total Revenues	$ 4,874,530	$ 4,991,542	$ 5,270,456	$ 4,707,021	$ 5,629,789
Expenditures					
Current:					
General government	$ 526,627	$ 490,625	$ 543,747	$ 700,656	$ 942,078
Public safety	2,477,414	2,457,014	2,354,842	2,654,067	2,993,200
Public works	997,663	1,500,864	1,520,459	811,287	1,330,570
Health and human services	9,684	10,099	8,825	9,505	1,500
Culture and recreation	345,323	396,530	436,004	338,294	450,132
Conservation and development	909	3,443	0	0	500
Debt Service	0	0	0	603,453	625,658
Capital outlay	6,038	0	0	0	0
Total Expenditures	$ 4,363,658	$ 4,858,575	$ 4,863,877	$ 5,117,261	$ 6,343,638
Excess of revenues over (under) expenditures	$ 510,872	$ 132,967	$ 406,579	$ (410,240)	$ (713,849)
Other Financing Sources (Uses)					
Debt/Loan proceeds	0	0	0	0	512,400
Transfers in	16,100	18,537	21,000	0	0
Transfers out	(66,407)	0	0	0	0
Total Other Financing Sources (Uses)	$ (50,307)	$ 18,537	$ 21,000	$ 0	$ 512,400
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 460,565	$ 151,504	$ 427,579	$ (410,240)	$ (201,449)
General Fund Balance January 1	1,370,412	1,830,977	1,982,481	2,410,060	1,999,820
General Fund Balance December 31	$ 1,830,977	$ 1,982,481	$ 2,410,060	$ 1,999,820	$ 1,798,371
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	$ 184,650	$ 172,736	$ 159,673	$ 159,673	
Restricted	0	0	0	0	
Committed	0	0	0	0	
Assigned	671,625	842,900	1,298,400	1,208,400	
Unassigned	975,702	966,845	951,987	631,747	
Total	$ 1,831,977	$ 1,982,481	$ 2,410,060	$ 1,999,820	

1 The 2021 budget was adopted on November 30, 2020.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 5,989 and a current estimated population of 6,189 comprises an area of 9.75 square miles and is located approximately 50 miles southwest of the City of Milwaukee.

LARGER EMPLOYERS[1]

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Allied Plastics	Plastic manufacturer	200
Five Star Fabricating	Automobile body shop equipment manufacturer	161
Twin Lakes Hardware & Rental	Hardware store	135
Sentry Foods	Grocery store	50
Lakewood School Elementary	Elementary and secondary education	40
Twin Lakes Country Club/Red Barn Dining	Golf course, country club and wedding venue	40
The Village	Municipal government and services	39
Burger King	Restaurant	25
Rau Salon	Beauty salon	16
Badgerland Products	General merchandise	7

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

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

BUILDING PERMITS

	2016	2017	2018	2019	2020[1]
New Single Family Homes					
No. of building permits	17	32	49	46	27
Valuation	$5,987,577	$7,374,804	$14,596,530	$15,926,470	$6,222,400
New Multiple Family Buildings					
No. of building permits	0	0	0	0	0
Valuation	$0	$0	$0	$0	$0
New Commercial/Industrial					
No. of building permits	0	0	2	1	1
Valuation	$0	$0	$125,000	$861,084	$900,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	130	147	205	259	159
Valuation	$8,881,796	$9,902,889	$18,945,203	$21,030,934	$8,953,700

Source: The Village.

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1 As of December 22, 2020.

U.S. CENSUS DATA

Population Trend: The Village

2000 U.S. Census	5,124
2010 U.S. Census	5,989
2020 Estimated Population	6,189
Percent of Change 2000 - 2010	16.88%

Income and Age Statistics

	The Village	Kenosha County	State of Wisconsin	United States
2019 per capita income	$37,279	$32,298	$33,375	$34,103
2019 median household income	$67,942	$63,733	$61,747	$62,843
2019 median family income	$78,750	$78,903	$78,679	$77,263
2019 median gross rent	$877	$919	$856	$1,062
2019 median value owner occupied units	$203,700	$177,400	$180,600	$217,500
2019 median age	41.1 yrs.	38.5 yrs.	39.5 yrs.	38.1 yrs.

	State of Wisconsin	United States
Village % of 2019 per capita income	111.70%	109.31%
Village % of 2019 median family income	100.09%	101.92%

Housing Statistics

	The Village		
	2010	2019	Percent of Change
All Housing Units	3,251	3,200	-1.57%

Source: *2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (https://data.census.gov/cedsci).*

EMPLOYMENT/UNEMPLOYMENT DATA

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

	Average Employment	Average Unemployment	
Year	Kenosha County	Kenosha County	State of Wisconsin
2016	84,339	4.6%	4.0%
2017	85,988	3.9%	3.3%
2018	86,327	3.5%	3.0%
2019	85,858	4.0%	3.3%
2020, December[1]	82,608	5.8%	5.3%

Source: *Wisconsin Department of Workforce Development.*

1 Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

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

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

Village of Twin Lakes, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2019

CLAconnect.com

WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

Table of Contents

Village of Twin Lakes, Wisconsin

DECEMBER 31, 2019

CliftonLarsonAllen LLP
CLAconnect.com

Independent auditors' report

To the Village Board
Village of Twin Lakes, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINIONS

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

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the schedules relating to pensions and other postemployment benefits on pages 47 through 49 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin

December 14, 2020

Village of Twin Lakes, Wisconsin

STATEMENT OF NET POSITION
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Totals 2019	Totals 2018
ASSETS				
Cash and investments	$ 3,281,823	$ 1,926,052	$ 5,207,875	$ 4,788,352
Receivables				
Taxes and special charges	4,626,680	237,538	4,864,218	4,668,300
Accounts	30,678	397,346	428,024	426,466
Special assessments	8,679	-	8,679	10,446
Loans	147,688	-	147,688	494,564
Internal balances	(103,083)	103,083	-	-
Inventories and prepaid items	160,027	24,786	184,813	197,648
Restricted assets				
Cash and investments	-	1,071,025	1,071,025	970,696
Net pension asset	-	-	-	464,215
Capital assets, nondepreciable	1,859,048	100,000	1,959,048	2,022,148
Capital assets, depreciable	7,088,604	10,217,238	17,305,842	17,236,037
Total assets	17,100,144	14,077,068	31,177,212	31,278,872
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	1,319,596	183,801	1,503,397	845,748
Other postemployment related amounts	15,640	2,199	17,839	15,841
Total deferred outflows of resources	1,335,236	186,000	1,521,236	861,589
LIABILITIES				
Accounts payable	146,417	40,207	186,624	257,036
Accrued and other current liabilities	82,649	9,910	92,559	113,649
Due to other governments	1,856	-	1,856	2,512
Accrued interest payable	64,669	7,560	72,229	58,026
Special deposits	72,900	-	72,900	76,500
Long-term obligations				
Due within one year	496,434	137,851	634,285	973,094
Due in more than one year	3,820,210	1,730,879	5,551,089	5,620,389
Net pension liability	489,035	68,750	557,785	-
Other postemployment benefits	1,185,935	75,114	1,261,049	1,163,870
Total liabilities	6,360,105	2,070,271	8,430,376	8,265,076
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	4,626,680	-	4,626,680	4,431,718
Pension related amounts	675,521	94,966	770,487	913,907
Other postemployment related amounts	21,144	2,973	24,117	1,428
Total deferred inflows of resources	5,323,345	97,939	5,421,284	5,347,053
NET POSITION				
Net investment in capital assets	5,195,949	8,461,480	13,657,429	13,307,512
Restricted	9,296	1,071,025	1,080,321	1,795,850
Unrestricted	1,546,685	2,562,353	4,109,038	3,424,970
Total net position	$ 6,751,930	$ 12,094,858	$ 18,846,788	$ 18,528,332

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

Village of Twin Lakes, Wisconsin

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

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
GOVERNMENTAL ACTIVITIES				
General government	$ 591,766	$ 213,222	$ -	$ -
Public safety	2,710,663	363,541	55,879	-
Public works	1,552,690	543,741	294,943	-
Health and human services	9,265	-	-	-
Culture and recreation	589,911	74,558	-	-
Conservation and development	358,867	-	-	-
Interest and fiscal charges	131,805	-	-	-
Total governmental activities	5,944,967	1,195,062	350,822	-
BUSINESS-TYPE ACTIVITIES				
Sewer utility	1,292,295	1,670,197	-	95,700
Total	$ 7,237,262	$ 2,865,259	$ 350,822	$ 95,700

General revenues
Taxes
Property taxes
Tax increments
Other taxes
Federal and state grants and other contributions
not restricted to specific functions
Miscellaneous
Gain on sale of asset

Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals 2019	Totals 2018
$ (378,544)	$ -	$ (378,544)	$ (238,497)
(2,291,243)	-	(2,291,243)	(1,909,527)
(714,006)	-	(714,006)	(607,775)
(9,265)	-	(9,265)	(10,344)
(515,353)	-	(515,353)	(373,870)
(358,867)	-	(358,867)	(9,891)
(131,805)	-	(131,805)	(122,857)
(4,399,083)	-	(4,399,083)	(3,272,761)
-	473,602	473,602	604,392
(4,399,083)	473,602	(3,925,481)	(2,668,369)
3,833,406	-	3,833,406	3,722,532
45,904	-	45,904	147,195
398	-	398	24
77,796	-	77,796	75,674
262,144	16,328	278,472	201,750
7,961	-	7,961	-
4,227,609	16,328	4,243,937	4,147,175
(171,474)	489,930	318,456	1,478,806
6,923,404	11,604,928	18,528,332	17,049,526
$ 6,751,930	$ 12,094,858	$ 18,846,788	$ 18,528,332

Village of Twin Lakes, Wisconsin

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

	General	Debt Service	Other Governmental Funds	Totals 2019	Totals 2018
ASSETS					
Cash and investments	$ 2,533,424	$ 73,965	$ 674,434	$ 3,281,823	$ 3,020,227
Receivables					
Taxes and special charges	3,932,351	346,624	347,705	4,626,680	4,431,218
Accounts	30,678	-	-	30,678	28,818
Special assessments	8,679	-	-	8,679	10,446
Loans	-	143,486	4,202	147,688	494,564
Due from other funds	84,968	-	-	84,968	39,507
Inventories and prepaid items	159,673	-	354	160,027	173,076
Total assets	$ 6,749,773	$ 564,075	$ 1,026,695	$ 8,340,543	$ 8,197,856
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 146,124	$ -	$ 293	$ 146,417	$ 183,775
Accrued and other current liabilities	82,649	-	-	82,649	99,934
Due to other funds	103,083	-	84,968	188,051	152,590
Due to other governments	1,856	-	-	1,856	2,512
Special deposits	72,900	-	-	72,900	76,500
Total liabilities	406,612	-	85,261	491,873	515,311
Deferred inflows of resources					
Property taxes levied for subsequent year	3,932,351	346,624	347,705	4,626,680	4,431,718
Loans receivable	-	143,486	4,202	147,688	494,564
Special assessments	750	-	-	750	1,140
Total deferred inflows of resources	3,933,101	490,110	351,907	4,775,118	4,927,422
Fund balances					
Nonspendable	159,673	-	354	160,027	173,076
Restricted	-	73,965	-	73,965	150,020
Assigned	1,298,400	-	674,141	1,972,541	1,504,689
Unassigned	951,987	-	(84,968)	867,019	927,338
Total fund balances	2,410,060	73,965	589,527	3,073,552	2,755,123
Total liabilities, deferred inflows of resources, and fund balances	$ 6,749,773	$ 564,075	$ 1,026,695	$ 8,340,543	$ 8,197,856

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

Village of Twin Lakes, Wisconsin

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

	2019	2018
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	$ 3,073,552	$ 2,755,123
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	8,947,652	8,608,674
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	148,438	495,704
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	1,319,596	742,102
Deferred inflows related to pensions	(675,521)	(800,648)
Deferred outflows related to other postemployment benefits	15,640	13,941
Deferred inflows related to other postemployment benefits	(21,144)	(1,257)
Long-term asset are not considered available; therefore, are not reported in the funds:		
Net pension asset	-	406,685
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(4,200,198)	(3,998,942)
Debt premium	(43,475)	(49,648)
Compensated absences	(96,102)	(98,574)
Net pension liability	(489,035)	-
Other postemployment benefit	(1,185,935)	(1,102,040)
Accrued interest on long-term obligations	(64,669)	(47,716)
Net position of governmental activities as reported on the Statement of Net Position (see page 3)	$ 6,728,799	$ 6,923,404

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

Village of Twin Lakes, Wisconsin

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

	General	Debt Service	Other Governmental Funds	Totals 2019	Totals 2018
REVENUES					
Taxes	$ 3,430,061	$ 296,825	$ 152,822	$ 3,879,708	$ 3,869,751
Intergovernmental	425,032	-	3,586	428,618	440,309
Licenses and permits	427,559	-	-	427,559	387,483
Fines and forfeits	32,198	-	-	32,198	30,757
Public charges for services	595,970	-	74,558	670,528	663,576
Intergovernmental charges for services	7,447	-	-	7,447	6,428
Miscellaneous	352,189	-	41,636	393,825	283,717
Total revenues	5,270,456	296,825	272,602	5,839,883	5,682,021
EXPENDITURES					
Current					
General government	543,747	-	-	543,747	490,625
Public safety	2,354,842	-	-	2,354,842	2,457,014
Public works	1,520,459	-	73,445	1,593,904	1,550,392
Health and human services	8,825	-	-	8,825	10,099
Culture and recreation	436,004	-	25,196	461,200	401,622
Conservation and development	-	-	33,074	33,074	9,891
Debt service					
Principal	-	396,606	-	396,606	365,283
Interest and fiscal charges	-	121,025	-	121,025	134,331
Capital outlay	-	-	582,962	582,962	58,947
Total expenditures	4,863,877	517,631	714,677	6,096,185	5,478,204
Excess of revenues over (under) expenditures	406,579	(220,806)	(442,075)	(256,302)	203,817
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	574,731	574,731	-
Transfers in	21,000	240,437	-	261,437	261,159
Transfers out	-	-	(261,437)	(261,437)	(260,622)
Total other financing sources (uses)	21,000	240,437	313,294	574,731	537
Net change in fund balances	427,579	19,631	(128,781)	318,429	204,354
Fund balances - January 1	1,982,481	54,334	718,308	2,755,123	2,550,769
Fund balances - December 31	$ 2,410,060	$ 73,965	$ 589,527	$ 3,073,552	$ 2,755,123

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

Village of Twin Lakes, Wisconsin

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

	2019	2018
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	$ 318,429	$ 204,354
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	1,034,335	598,917
Depreciation expense reported in the statement of activities	(628,301)	(581,480)
Net book value of disposals	(67,056)	-
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(347,266)	(50,061)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(574,731)	-
Principal repaid	396,606	365,283
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(16,953)	5,301
Amortization of debt premium	6,173	6,173
Compensated absences	2,472	5,925
Net pension asset	(406,685)	406,685
Net pension liability	(489,035)	111,745
Deferred outflows of resources related to pensions	577,494	(126,067)
Deferred inflows of resources related to pensions	125,127	(449,220)
Other postemployment benefits	(83,895)	354,298
Deferred outflows of resources related to other postemployment benefits	1,699	13,941
Deferred inflows of resources related to other postemployment benefits	(19,887)	(1,257)
Change in net position of governmental activities as reported in the statement of activities (see pages 4 - 5)	$ (171,474)	$ 864,537

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

Village of Twin Lakes, Wisconsin

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

	Budget			Variance Final Budget - Positive	2018
	Original	Final	Actual	(Negative)	Actual
REVENUES					
Taxes	$ 3,425,387	$ 3,425,387	$ 3,430,061	$ 4,674	$ 3,362,685
Intergovernmental	419,350	419,350	425,032	5,682	437,018
Licenses and permits	235,600	255,600	427,559	171,959	387,483
Fines and forfeits	25,500	25,500	32,198	6,698	30,757
Public charges for services	622,500	622,500	595,970	(26,530)	554,306
Intergovernmental charges for services	26,000	6,000	7,447	1,447	6,428
Miscellaneous	105,400	105,400	352,189	246,789	212,865
Total revenues	4,859,737	4,859,737	5,270,456	410,719	4,991,542
EXPENDITURES					
Current					
General government	646,311	605,311	543,747	61,564	490,625
Public safety	2,410,038	2,366,038	2,354,842	11,196	2,457,014
Public works	1,327,375	1,862,375	1,520,459	341,916	1,500,864
Health and human services	14,785	14,785	8,825	5,960	10,099
Culture and recreation	463,228	463,228	436,004	27,224	396,530
Conservation and development	-	-	-	-	3,443
Total expenditures	4,861,737	5,311,737	4,863,877	447,860	4,858,575
Excess of revenues over (under) expenditures	(2,000)	(452,000)	406,579	858,579	132,967
OTHER FINANCING SOURCES					
Transfers in	2,000	2,000	21,000	19,000	18,537
Net change in fund balance	-	(450,000)	427,579	877,579	151,504
Fund balance - January 1	1,982,481	1,982,481	1,982,481	-	1,830,977
Fund balance - December 31	$ 1,982,481	$ 1,532,481	$ 2,410,060	$ 877,579	$ 1,982,481

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

Village of Twin Lakes, Wisconsin

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

	Sewer Utility	
	2019	**2018**
ASSETS		
Current assets		
Cash and investments	$ 1,926,052	$ 1,768,125
Receivables		
Taxes and special charges	237,538	237,082
Customer accounts	397,346	397,648
Due from other funds	103,083	113,083
Inventories and prepaid items	24,786	24,572
Total current assets	2,688,805	2,540,510
Noncurrent assets		
Restricted assets		
Cash and investments	1,071,025	970,696
Other assets		
Net pension asset	-	57,530
Capital assets		
Nondepreciable	100,000	100,000
Depreciable	10,217,238	10,549,511
Total capital assets	10,317,238	10,649,511
Total assets	14,077,068	14,218,247
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	183,801	103,646
Other postemployment related amounts	2,199	1,900
Total deferred outflows of resources	186,000	105,546

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

Village of Twin Lakes, Wisconsin

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2018

	Sewer Utility	
	2019	**2018**
LIABILITIES		
Current liabilities		
Accounts payable	$ 40,207	$ 73,261
Accrued and other current liabilities	9,910	13,715
Accrued interest	7,560	10,310
Current portion of long-term debt		
General obligation debt	-	9,262
Revenue bonds	137,225	548,067
Compensated absences	626	1,058
Total current liabilities	195,528	655,673
Long-term obligations, less current portion		
Revenue bonds	1,718,533	1,855,757
Compensated absences	12,346	32,175
Net pension liability	68,750	-
Other postemployment benefits	75,114	61,830
Total long-term liabilities	1,874,743	1,949,762
Total liabilities	2,070,271	2,605,435
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	94,966	113,259
Other postemployment related amounts	2,973	171
Total deferred inflows of resources	97,939	113,430
NET POSITION		
Net investment in capital assets	8,461,480	8,236,425
Restricted	1,071,025	1,028,226
Unrestricted	2,562,353	2,340,277
Total net position	$ 12,094,858	$ 11,604,928

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

Village of Twin Lakes, Wisconsin

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Sewer Utility	
	2019	**2018**
OPERATING REVENUES		
Charges for services	$ 1,619,366	$ 1,635,372
Other	50,831	35,575
Total operating revenues	1,670,197	1,670,947
OPERATING EXPENSES		
Operation and maintenance	910,550	774,363
Depreciation	332,273	344,007
Total operating expenses	1,242,823	1,118,370
Operating income	427,374	552,577
NONOPERATING REVENUES (EXPENSES)		
Interest income	16,328	10,414
Gain (loss) on disposal of capital assets	-	(7,542)
Interest and fiscal charges	(49,472)	(66,043)
Total nonoperating revenues (expenses)	(33,144)	(63,171)
Income before contributions and transfers	394,230	489,406
Capital contributions	95,700	125,400
Transfers out	-	(537)
Change in net position	489,930	614,269
Net position - January 1	11,604,928	10,990,659
Net position - December 31	$ 12,094,858	$ 11,604,928

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

Village of Twin Lakes, Wisconsin

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Sewer Utility	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,670,043	$ 1,622,989
Cash paid for employee wages and benefits	(416,710)	(396,799)
Cash paid to suppliers	(507,555)	(370,161)
Net cash provided by operating activities	745,778	856,029
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of an advance	10,000	10,000
Transfer in (out)	-	(537)
Net cash provided (used) by noncapital financing activities	10,000	9,463
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(40,793)
Capital contributions	95,700	125,400
Principal paid on long-term debt	(557,328)	(557,800)
Interest paid on long-term debt	(52,222)	(69,612)
Net cash used by capital and related financing activities	(513,850)	(542,805)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	16,328	10,414
Change in cash and cash equivalents	258,256	333,101
Cash and cash equivalents - January 1	2,738,821	2,405,720
Cash and cash equivalents - December 31	$ 2,997,077	$ 2,738,821

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

Village of Twin Lakes, Wisconsin

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Sewer Utility	
	2019	**2018**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ 427,374	$ 552,577
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	332,273	344,007
Change in liability (asset) and deferred outflows and inflows of resources		
Pension	27,832	8,200
Other postemployment benefits	15,787	(56,058)
Change in operating assets and liabilities		
Accounts receivables	302	(1,221)
Delinquent accounts placed on tax roll	(456)	(46,737)
Inventories and prepaid items	(214)	2,429
Accounts payable	(33,054)	42,560
Accrued and current liabilities	(3,805)	3,312
Compensated absences	(20,261)	6,960
Net cash provided by operating activities	$ 745,778	$ 856,029
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents in current assets	$ 1,926,052	$ 1,768,125
Cash and cash equivalents in restricted assets	1,071,025	970,696
Total cash and cash equivalents	$ 2,997,077	$ 2,738,821
Noncash capital and related financing activities		
None		

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

Village of Twin Lakes, Wisconsin

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2018

	Tax Collection Fund	Developers Deposits	Totals 2019	Totals 2018
ASSETS				
Cash and investments	$ 5,432,357	$ 28,097	$ 5,460,454	$ 6,170,304
Receivables				
Taxes	10,532,244	-	10,532,244	9,121,638
Total assets	$ 15,964,601	$ 28,097	$ 15,992,698	$ 15,291,942
LIABILITIES				
Accounts payable	$ -	$ 28,097	$ 28,097	$ 31,014
Due to other governments	15,964,601	-	15,964,601	15,260,928
Total liabilities	$ 15,964,601	$ 28,097	$ 15,992,698	$ 15,291,942

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Village is a municipal corporation governed by an elected seven member board. In accordance with GAAP, the basic financial statements are required to include the Village and any separate component units that have a significant operational or financial relationship with the Village. The Village has identified the following component unit that is required to be included in the basic financial statements in accordance with standards established in GASB Statement No. 61.

Blended Component Unit

The following component unit is blended or included in the basic financial statements of the City.

The Twin Lakes Protection and Rehabilitation Lake District is governed by the Village Board. Although it is legally separate from the Village, the District is reported as if it were part of the primary government because the Village Board is serving as the governing body of the District. The District boundaries are the entire Village limits.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The Village has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund

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

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt other than enterprise funds.

The Village reports the following major enterprise fund:

Sewer Utility Fund

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

Additionally, the Village reports the following fund types:

- The Village accounts for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units in an agency fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

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

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

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

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

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

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

   In addition to its levy, the Village also levies and collects taxes for the School Districts of Randall, Trevor-Wilmot, and Twin Lakes, Wilmot Union High School, Kenosha County, and Gateway Technical College.

3. **Accounts Receivable**
   Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

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

5. **Interfund Receivables and Payables**
   During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

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

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

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

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

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

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

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

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

Assets	Governmental Activities	Business-type Activities
	Years	
Land improvements	5 - 20	5 - 20
Buildings and improvements	15 - 40	15 - 40
Machinery and equipment	3 - 20	3 - 20
Infrastructure	10 - 75	10 - 75
Sewer plant	-	5 - 75

9. **Compensated Absences**

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

10. **Deferred Outflows/Inflows of Resources**

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

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

11. **Long-term Obligations**

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

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

12. **Pensions**

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

13. **Other Postemployment Benefits Other Than Pensions (OPEB)**

Defined Benefit Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Village's Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

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 postemployment 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.

14. **Fund Equity**

Governmental Fund Financial Statements

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

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed fund balance.** Amounts that are constrained for specific purposes by action of the Village Board. These constraints can only be removed or changed by the Village Board using the same action that was used to create them.

- **Assigned fund balance.** Amounts that are constrained for specific purposes by action of Village management. The Village Board has not authorized management to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Village has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

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

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

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

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

G. RECLASSIFICATIONS

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

Village of Twin Lakes, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

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

Fund	Excess Expenditures
General Fund	
General government	
Clerk	$ 3,189
Accounting and auditing	7,575
Assessment of property	2,437
Miscellaneous	5,070
Public safety	
Police department	4,922
Public works	
Maintenance building	2,183
Street lights	2,973

C. DEFICIT FUND EQUITY

The following funds reported a deficit fund balance as of December 31, 2019:

Funds	Deficit Fund Balance
Nonmajor Governmental Funds	
TIF No. 1	$ 37,230
Capital Projects Fund	47,738

The deficits are expected to be funded by future revenues of the fund

D. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2019 and 2020 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Village's January 1 equalized value as a result of net new construction. The actual limit for the Village for the 2019 budget was 1.00%. The actual limit for the Village for the 2020 budget was 1.80%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

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

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

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

The carrying amount of the Village's cash and investments totaled $11,739,354 on December 31, 2019 as summarized below:

Petty cash and cash on hand	$ 365
Deposits with financial institutions	7,286,673
Investments	
Negotiable certificates of deposit	249,467
Wisconsin Investment Series Cooperative (WISC)	24,454
Wisconsin local government investment pool	4,178,395
	$ 11,739,354

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	$ 5,207,875
Restricted cash and investments	1,071,025
Fiduciary Funds Statement of Net Position	
Agency funds	5,460,454
	$ 11,739,354

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2019.

	Fair Value Measurements Using: Level 1	Level 2	Level 3
Investments			
Negotiable certificates of deposit	$ -	$ 249,467	$ -

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

Custodial Credit Risk

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

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

As of December 31, 2019, $4,677,063 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. Bank deposits of $3,292,325 were collateralized with securities held by the pledging financial institution or its trust department or agent by not in the Village's name, leaving a balance of $1,384,738 uninsured.

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
WISC Investments					
Investment series	$ 24,444	$ -	$ 24,444	$ -	$ -
Cash management series	10	-	10	-	-
Negotiable certificates of deposit	249,467	-	-	-	249,467
Wisconsin local government investment pool	4,178,395	-	-	-	4,178,395
Totals	$ 4,452,316	$ -	$ 24,454	$ -	$ 4,427,862

Interest Rate Risk

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

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

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
WISC Investments					
Investment series	$ 24,444	$ 24,444	$ -	$ -	$ -
Cash management series	10	10	-	-	-
Negotiable certificates of deposit	249,467	249,467	-	-	-
Wisconsin local government investment pool	4,178,395	4,178,395	-	-	-
Totals	$ 4,452,316	$ 4,452,316	$ -	$ -	$ -

Investment in Wisconsin Local Government Investment Pool

The Village has investments in the Wisconsin Local Government Investment Pool ("LGIP") of $4,178,395 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the Village's share of the LGIP's assets was substantially equal to the carrying value.

Investment in Wisconsin's Investment Series Cooperation

The Village has investments in the Wisconsin Investment Series Cooperative (WISC) of $24,454 at year-end consisting of $24,444 invested in the Investment Series and $10 invested in the Cash Management Series. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less. The Cash Management Series has no minimum investment period, allows check writing privileges, and the average dollar weighted maturity is ninety (90) days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin intergovernmental Cooperation Statute, Wisconsin Statutes, Section 66.0301. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

B. RESTRICTED ASSETS

Restricted cash and investments on December 31, 2019 totaled $1,071,025 and consisted of cash and investments held by the sewer utility to be used for replacement of certain assets of the sewage collection and treatment system.

C. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	$ 1,922,148	$ -	$ 63,100	$ 1,859,048
Capital assets, depreciable:				
Land improvements	1,917,116	-	-	1,917,116
Buildings and improvements	2,007,745	-	-	2,007,745
Machinery and equipment	3,411,876	681,612	290,340	3,803,148
Infrastructure	5,733,641	352,723	-	6,086,364
Subtotals	13,070,378	1,034,335	290,340	13,814,373
Less accumulated depreciation for:				
Land improvements	957,405	116,845	-	1,074,250
Buildings and improvements	1,095,295	48,333	-	1,143,628
Machinery and equipment	2,224,665	186,247	286,384	2,124,528
Infrastructure	2,106,487	276,876	-	2,383,363
Subtotals	6,383,852	628,301	286,384	6,725,769
Total capital assets, depreciable, net	6,686,526	406,034	3,956	7,088,604
Governmental activities capital assets, net	$ 8,608,674	$ 406,034	$ 67,056	8,947,652
Less: Capital related debt				3,708,228
Less: Debt premium				43,475
Net investment in capital assets				$ 5,195,949

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	$ 100,000	$ -	$ -	$ 100,000
Capital assets, depreciable:				
Sewer plant and equipment	17,573,484	-	14,572	17,558,912
Less accumulated depreciation for:				
Sewer plant and equipment	7,023,973	332,273	14,572	7,341.674
Total capital assets, depreciable, net	10,549,511	(332,273)	-	10,217,238
Business-type activities capital assets, net	$ 10.649.511	$ (332,273)	$ -	10,317,238
Less: Capital related debt				1,855,758
Net investment in capital assets				$ 8,461,480

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

Governmental activities	
General government	$ 13,959
Public safety	162,711
Public works	327,688
Culture and recreation	123,943
Total depreciation expense - governmental activities	$ 628,301

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

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

	Interfund Receivables	Interfund Payables
Temporary cash advances to finance operating cash deficits		
Governmental Funds		
General	$ 84,968	$ -
Capital Projects	-	47,738
TID No. 1	-	37,230
Amount advanced for capital acquisitions		
Governmental Funds		
General	-	103,083
Proprietary Fund		
Sewer Utility	103,083	-
Totals	$ 188,051	$ 188,051

The Village anticipates retiring $10,000 of the general fund advance annually. The advance does not bear interest.

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

Funds	Transfer In	Transfer Out
General	$ 18,000	$ -
Debt Service	240,437	-
Nonmajor governmental funds		
Lake Rehabilitation special revenue	3,000	19,000
Launch/Marina special revenue	-	66,974
Capital Projects	-	23,033
TID No. 1	-	152,430
	$ 261,437	$ 261,437

Interfund transfers were made for the following purposes:

Debt service payments from resources of other funds	$ 240,437
Reimburse general fund for administrative support	18,000
Seaweed collection for Lake Rehabilitation	3,000
	$ 261,437

E. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 1,970,000	$ -	$ 100,000	$ 1,870,000	$ 100,000
Notes	905,000	-	235,000	670,000	250,000
State trust fund loans	1,123,942	574,731	61,606	1,637,067	123,303
Total General Obligation Debt	3,998,942	574,731	396,606	4,177,067	473,303
Debt premium	49,648	-	6,173	43,475	-
Compensated absences	98,574	-	2,472	96,102	23,131
Governmental activities Long-term obligations	$ 4,147,164	$ 574,731	$ 405,251	$ 4,316,644	$ 496,434
Business-type activities:					
General Obligation Debt					
State trust fund loans	$ 9,262	$ -	$ 9,262	$ -	$ -
Revenue bonds	2,403,824	-	548,066	1,855,758	137,225
Compensated absences	33,233	-	20,261	12,972	626
Business-type activities Long-term obligations	$ 2,446,319	$ -	$ 577,589	$ 1,868,730	$ 137,851

Total interest paid during the year on long-term debt totaled $173,248.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
2012 State Trust Fund Loan	04/10/12	03/15/21	3%	$ 27,000	$ 6,622
2012 State Trust Fund Loan	11/20/12	03/15/27	4%	300,000	192,196
2012 General Obligation Promissory Note	12/04/12	11/01/22	2.00-2.25%	1,590,000	670,000
2012 General Obligation Refunding Bonds	12/04/12	11/01/32	2.55-3.25%	2,240,000	1,870,000
2016 State Trust Fund Loan	08/29/16	03/15/26	3%	199,115	143,486
2017 State Trust Fund Loan	02/14/17	03/15/36	4%	740,000	720,032
2019 State Trust Fund Loan	04/30/19	03/15/29	4.25%	574,731	574,731
Total Outstanding General Obligation Debt					$ 4,177,067

Annual principal and interest maturities of the outstanding general obligation debt of $4,177,067 on December 31, 2019 are detailed below:

Year Ended December 31,	Governmental Activities Principal	Interest	Totals
2020	$ 473,303	$ 130,149	$ 603,452
2021	485,187	120,467	605,654
2022	501,575	106,971	608,546
2023	246,510	92,718	339,228
2024	266,517	84,492	351,009
2025-2029	1,373,680	285,274	1,658,954
2030-2034	718,643	82,768	801,411
2035-2036	111,652	6,749	118,401
	$ 4,177,067	$ 909,588	$ 5,086,655

For governmental activities, the other long-term liabilities are generally funded by the general fund.

Legal Margin for New Debt

The Village's legal margin for creation of additional general obligation debt on December 31, 2019 was $39,949,708 as follows:

Equalized valuation of the Village		$ 881,056,200
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		44,052,810
Total outstanding general obligation debt applicable to debt limitation	$ 4,177,067	
Less: Amounts available for financing general obligation debt Debt service fund	73,965	
Net outstanding general obligation debt applicable to debt limitation		4,103,102
Legal margin for new debt		$ 39,949,708

Revenue Bonds

Revenue bonds outstanding on December 31, 2019 totaled $1,855,758 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
2006 Revenue Bond	11/22/06	05/01/26	2.48%	$ 540,039	$ 214,343
2011 Revenue Bond	06/22/11	05/01/31	2.45%	1,674,333	1,100,604
2016 Revenue Bond	04/27/16	05/01/35	2.10%	650,322	540,811
Total Outstanding Revenue Bonds					$ 1,855,758

Annual principal and interest maturities of the outstanding revenue bonds of $1,855,758 on December 31, 2019 are detailed below:

Year Ended December 31,	Business-type Activities Principal	Interest	Total
2020	$ 137,225	$ 41,972	$ 179,197
2021	140,492	38,666	179,158
2022	143,837	35,281	179,118
2023	147,262	31,816	179,078
2024	150,769	28,267	179,036
2025-2029	705,742	88,874	794,616
2030-2035	430,431	19,486	449,917
	$ 1,855,758	$ 284,362	$ 2,140,120

Utility Revenues Pledged

The Village has pledged future sewer customer revenues, net of specified operating expenses, to repay the sewer system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the system. The bonds are payable solely from sewer customer net revenues and are payable through 2035. The total principal and interest remaining to be paid on the bonds is $2,140,120. Principal and interest paid for the current year and total customer net revenues were $599,919 and $759,647, respectively.

F. PENSION PLAN

1. Plan Description

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

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

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

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as 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 year ended December 31, 2019, WRS recognized $159,659 in contributions from the Village.

Contribution rates for the reporting period are:

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

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

At December 31, 2019, the Village reported a liability of $557,785 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.01567832%, which was an increase of 0.0043920% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of $459,632.

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	$ 434,429	$ 767,915
Net differences between projected and actual earnings on pension plan investments	814,608	-
Changes in assumptions	94,021	2,572
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,380	-
Employer contributions subsequent to the measurement date	156,959	-
Total	$ 1,503,397	$ 770,487

$156,959 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 in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Expense
2020	$ 209,707
2021	52,679
2022	90,965
2023	222,600
Total	$ 575,951

5. Actuarial Assumptions

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

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

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

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

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

	Current Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	49%	8.1%	5.5%
Fixed income	24.5%	4.0%	1.5%
Inflation sensitive assets	15.5%	3.8%	1.3%
Real estate	9%	6.5%	3.9%
Private equity/debt	8%	9.4%	6.7%
Multi-asset	4%	6.7%	4.1%
Total Core Fund	110%	7.3%	4.7%
Variable Fund Asset Class			
U.S. equities	70%	7.6%	5.0%
International equities	30%	8.5%	5.9%
Total Variable Fund	100%	8.0%	5.4%

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

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.

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)	$ 2,216,697	$ 557,785	$ (675,744)

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

6. Payables to the Pension Plan

At December 31, 2019, the Village reported a payable of $29,002 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

G. OTHER POSTEMPLOYMENT BENEFITS

The Village reports OPEB related balances at December 31, 2019 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	$ 90,162	$ 17,839	$ 24,117	$ 10,183
Single-employer defined OPEB plan	1,170,887	-	-	145,065
Total pension liability	$ 1,261,049	$ 17,839	$ 24,117	$ 155,248

1. Single-employer Defined Postemployment Benefit Plan

Plan Description

The Plan is a single-employer benefit plan that provides postemployment health care benefits to eligible employees and their spouses. Benefits and eligibility for employees are established and amended through collective bargaining with the recognized bargaining agent for each group; and include postemployment health coverage benefits and eligibility for administrators and general support staff are established and amended by the governing body. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Village provides medical (including prescription drugs) for retired employees through the Village's self-insured plans.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	29
	32

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. Village paid medical benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2019, and the total OPEB liability determined by an actuarial valuation using the alternative measurement method as of January 1, 2018.

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, unless otherwise specified:

Inflation:	3.00%
Salary increases:	3.50%
Discount rate:	3.26%
Healthcare cost trend rates:	7.10% decreasing to an ultimate rate of 4.50%

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for males and females

Discount Rate. The discount rate used to measure the total OPEB liability was 3.26%. The discount rate was based on the 20 year high grade rate index. The projection of cash flows used to determine the discount rate assumed that Village contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2019	$ 1,062,528
Changes for the year:	
Service cost	64,802
Interest	38,008
Change in benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions and other inputs	42,579
Benefit payments	(36,706)
Other changes	(324)
Net changes	108,359
Balance at December 31, 2019	$ 1,170,887

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.64% or 1-percentage-point higher 4.64% than the current rate:

	1% Decrease to Discount Rate (2.64%)	Current Discount Rate (3.64%)	1% Increase to Discount Rate (4.64%)
Total OPEB liability	$ 1,068,076	$ 1,170,887	$ 1,284,535

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.10% decreasing to 6.10%) or 1-percentage-point higher (7.10% increasing to 8.10%) than the current healthcare cost trend rates:

	1% Decrease (6.10% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.10% decreasing to 4.50%)	1% Increase (8.10% increasing to 5.50%)
Total OPEB liability	$ 1,331,404	$ 1,170,887	$ 1,036,301

OPEB Expense
For the year ended December 31, 2019, the Village recognized OPEB expense of $145,065.

Plan Financial Report
The Plan does not prepare a separate standalone financial report.

2. **Local Retiree Life Insurance Fund**

Plan Description
The LRLIF is a cost-sharing, 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 postemployment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Positon
ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://etf.wi.gov/publications/cafr.htm.

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

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

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

Contribution rates as of December 31, 2018 are:

Coverage Type	Employer Contribution
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 listed below:

Life Insurance
Employee Contribution Rates
For the Year Ended December 31, 2018

Attained Age	Basic
Under 30	$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the year ended December 31, 2019, the LRLIF recognized $466 in contributions from the Village.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At December 31, 2019, the Village reported a liability of $90,162 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the Village's proportion was 0.03494200%, which was an increase of 0.001257% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized OPEB expense of $10,183.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,573
Net differences between projected and actual earnings on OPEB plan investments	2,155	-
Changes in assumptions	8,603	19,544
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,081	-
Total	$ 17,839	$ 24,117

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,	Expense
2020	$ (548)
2021	(548)
2022	(548)
2023	(851)
2024	(1,162)
Thereafter	(2,621)
	$ (6,278)

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, unless otherwise specified:

Actuarial valuation date:	January 1, 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:	
Inflation	2.30%
Seniority/Merit	0.2% - 5.6%
Mortality:	MP-2018 generational improvement scale

Village of Twin Lakes, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

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

Single discount rate. A single discount rate of 4.22% was used to measure the total OPEB liability. 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.

Sensitivity of the Village's proportionate share of net OPEB liability to changes in the discount rate. The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 4.22%, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (4.22%) 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	$ 128,262	$ 90,162	$ 60,777

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://etf.wi.gov/publications/cafr.htm.

Payable to the OPEB Plan

At December 31, 2019, the Village reported a payable of $0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2019.

H. FUND EQUITY

Nonspendable Fund Balance

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

General Fund	
Nonspendable	
Inventories and prepaid items	$ 159,673
Special Revenue Funds	
Nonspendable	
Prepaid items	
Lake rehabilitation	177
Launch/marina	177
Total	354
Total Nonspendable Fund Balance	$ 160,027

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are legally restricted for use for a specific purpose. At December 31, 2019, restricted fund balance was as follows:

Debt Service Fund	
Restricted for	
Debt service	$ 73,965

Assigned Fund Balance

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

General Fund	
Assigned for	
Building upgrades	$ 631,250
Playground equipment	74,900
Road resurfacing	431,250
Truck purchase	90,000
Subsequent year's expenditures	71,000
Total	1,298,400
Special Revenue Funds	
Assigned for	
Park dedication	24,014
Lake rehabilitation	347,010
Boat launch and marina operation	303,117
Total	674,141
Total	$ 1,972,541

Net Position

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

Governmental Activities	
Restricted for	
Debt service	$ 9,296
Business-type Activities	
Restricted for	
Plant Replacement	1,071,025
Total Restricted Net Position	$ 1,080,321

NOTE 4: OTHER INFORMATION

A. TAX INCREMENTAL FINANCING DISTRICT

The Village has established a separate capital projects fund for a Tax Incremental Financing District (TID) created by the Village in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TID was created, the property tax base within the TID was "frozen" and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the Village to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The Village's TID is still eligible to incur project costs.

Since creation of the above TID, the Village has provided various financing sources to the TID and has also recorded eligible TID project costs in other funds of the Village. The foregoing amounts are not recorded as liabilities in the TID capital project funds but can be recovered by the Village from any future excess tax increment revenues.

The intent of the Village is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective TID. Unless terminated by the Village prior thereto, the TID has a statutory termination year of 2034.

B. TAX ABATEMENTS
The Village created a tax incremental financing district (the "TID") in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the TID, the Village entered into agreements with developers for a creation of tax base within the TID. The agreements require the Village to make annual repayments of property taxes collected within the TID to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2019, the Village abated property taxes totaling $14,518 under this program, including the following tax abatement agreement:

- A property tax abatement of $14,518 to a developer for the rehabilitation and redevelopment of property in Tax Incremental District No. 1.

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

Significant losses are covered by commercial policies up to individual policy limits reduced by deductible amounts. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

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

E. SUBSEQUENT EVENTS
In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Village, COVID-19 will continue to have an impact on parts of its 2020 operations. Management believes the Village is taking appropriate actions to mitigate negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

During 2020, the Village entered into a contract for wastewater utility treatment plant upgrades with a cost not to exceed $773,000, with an intent to reimburse expenditures for the Clean Water Fund loan program.

During 2020, the Village awarded a contract for the construction of a new Village hall in an amount not to exceed $2.9 million. The Village has approved a preliminary resolution for the anticipated sale of approximately $1.3 million General Obligation Refunding Bonds in January, 2021 to finance the construction cost.

F. LEASES
In August 2009, the Village entered into a lease with the Wisconsin Department of Natural Resources (DNR) for purposes of providing adequate access at the Lake Elizabeth Public access site. Although half of the land is owned by the DNR, the lease allows the Village to develop, construct, and maintain the entire site with the Village receiving all resultant revenues.

In 2009, the Village completed construction of a boat launch and pier at the site at a total cost of $449,587. Financing was provided by DNR grants and long-term borrowings. The assets have been capitalized and are included with the Village's long-term capital assets.

The agreement is effective for a period of 20 years but may be modified or renewed upon written agreement of both parties. The Village may terminate the lease by providing 90 days' notice. The DNR may terminate the lease in the event that the village breaches any terms or conditions of the lease and the breaches are not corrected in a timely manner.

G. UPCOMING ACCOUNTING PRONOUNCEMENTS
In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This statement is effective for reporting periods beginning after June 15, 2018.

The following standards are expected to be implemented as of December 31, 2020:

> In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement, as amended, is effective for reporting periods beginning after December 15, 2019. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.
>
> In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement objective is to define debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings This statement, as amended, is effective for reporting periods beginning after December 15, 2019. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

The following standard is considered significant to the Village will be implemented after the December 31, 2021 financial statements:

> In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement, as amended, is effective for reporting periods beginning after June 15, 2021. The Village is currently evaluating the impact this standard will have on the financial statements when adopted.

Village of Twin Lakes, Wisconsin

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

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.01618162%	$ (393,674)	$ 2,281,585	17.25%	102.74%
12/31/15	0.01568557%	254,888	1,878,780	13.57%	98.20%
12/31/16	0.01548298%	127,617	1,881,566	6.78%	99.12%
12/31/17	0.01563440%	(464,215)	1,895,772	24.49%	102.93%
12/31/18	0.01567832%	557,785	1,813,393	30.76%	96.45%

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	$ 149,611	$ 149,611	$ -	$ 1,878,780	7.96%
12/31/16	121,440	121,440	-	1,881,566	6.45%
12/31/17	164,936	164,936	-	1,895,772	8.70%
12/31/18	158,055	158,055	-	1,813,393	8.72%
12/31/19	156,959	156,959	-	1,853,920	8.47%

See notes to required supplementary information.

Village of Twin Lakes, Wisconsin

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS

	2019	2018
Total OPEB Liability		
Service cost	$ 64,802	$ 58,372
Interest	38,008	49,553
Change in benefit terms	-	-
Difference between expected and actual experience	-	(215,348)
Changes of assumptions and other inputs	42,579	(225,208)
Benefit payments	(36,706)	(34,273)
Other changes	(324)	(66,908)
Net changes in total OPEB liability	108,359	(433,812)
Total OPEB liability - beginning	1,062,528	1,496,340
Total OPEB liability - ending	$ 1,170,887	$ 1,062,528
Covered-employee payroll	$ 1,668,492	$ 1,668,492
Village's total OPEB liability as a percentage of covered-employee payroll	70.18%	63.68%

See notes to required supplementary information.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Plan Fiscal Year Ending	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 Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.03368500%	$ 101,342	$ 1,416,551	7.15%	44.81%
12/31/18	0.03494200%	90,162	1,946,000	4.63%	48.69%

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST 10 FISCAL YEARS

Fiscal Year Ending	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
12/31/18	$ 675	$ 675	$ -	$ 1,946,000	0.03%
12/31/19	466	466	-	1,850,000	0.03%

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

A. WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

B. OTHER POSTEMPLOYMENT BENEFIT PLANS

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

Single-employer Defined Postemployment Benefit Plan

Changes of benefit terms. There were no changes of benefit terms for the Plan.

Changes of assumptions. The discount rate was changed from 3.64% used in the fiscal year 2018 valuation to 3.26%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2019. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Local Retiree Life Insurance Fund (LRLIF)

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

Changes of assumptions. The discount rate has changed to 4.22%. The salary mortality, disability, withdrawal and retirement assumptions were updated based on the 2015-2017 WRS experience study.

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

Village of Twin Lakes, Wisconsin

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

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)	2018 Actual
Taxes					
General property	$ 3,425,387	$ 3,425,387	$ 3,430,061	$ 4,674	$ 3,362,685
Intergovernmental					
State					
State shared taxes	65,367	65,367	65,387	20	65,417
Fire insurance dues	18,000	18,000	26,532	8,532	23,816
Tax exempt computer aid	427	427	5,567	5,140	427
Law enforcement	27,000	27,000	29,347	2,347	40,499
Transportation	278,556	278,556	278,428	(128)	282,966
Payment in lieu of taxes	10,000	10,000	3,256	(6,744)	6,539
Recycling	15,000	15,000	16,515	1,515	17,354
Parks	5,000	5,000	-	(5,000)	-
Total intergovernmental	419,350	419,350	425,032	5,682	437,018
Licenses and permits					
Licenses					
Liquor and malt beverage	11,500	11,500	12,024	524	11,430
Operators, cigarette and other licenses	7,100	7,100	8,322	1,222	8,337
Cable television fees	90,000	90,000	110,685	20,685	110,933
Dog	1,200	1,200	1,368	168	1,336
Permits					
Building	125,000	145,000	291,735	146,735	253,047
Culvert and other permits	800	800	3,425	2,625	2,400
Total licenses and permits	235,600	255,600	427,559	171,959	387,483
Fines and forfeits					
Court fines and penalties	25,500	25,500	32,198	6,698	30,757
Public charges for services					
Clerk's fees	-	-	9,996	9,996	-
Police charges	-	-	2,039	2,039	-
Other fees	1,250	1,250	4,475	3,225	2,650
Public works	621,250	621,250	579,460	(41,790)	551,656
Total public charges for services	622,500	622,500	595,970	(26,530)	554,306
Intergovernmental charges for services					
Law enforcement	26,000	6,000	7,447	1,447	6,428
Miscellaneous					
Interest on investments	26,200	26,200	81,521	55,321	75,183
Insurance recoveries and dividends	-	-	54,122	54,122	17,565
Donations	2,000	2,000	24,831	22,831	18,365
Other	77,200	77,200	191,715	114,515	101,752
Total miscellaneous	105,400	105,400	352,189	246,789	212,865
Total Revenues	$ 4,859,737	$ 4,859,737	$ 5,270,456	$ 410,719	$ 4,991,542

Village of Twin Lakes, Wisconsin

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

	Budget Original	Budget Final	Actual	Variance Final Budget - Positive (Negative)	2018 Actual
General Government					
Legislative	$ 36,739	$ 36,739	$ 36,739	$ -	$ 35,889
Judicial	11,400	11,400	10,374	1,026	10,830
Elections	3,905	3,905	2,732	1,173	6,675
Legal	10,000	10,000	9,110	890	6,060
Village administrator	98,099	98,099	79,975	18,124	86,659
Clerk	30,686	30,686	33,875	(3,189)	29,719
General office	288,025	288,025	263,851	24,174	225,034
Accounting and auditing	16,000	16,000	23,575	(7,575)	12,800
Assessment of property	54,412	54,412	56,849	(2,437)	50,843
Insurance and bonds	22,045	22,045	21,597	448	20,332
Miscellaneous	-	-	5,070	(5,070)	5,784
Contingency	75,000	34,000	-	34,000	-
Total general government	646,311	605,311	543,747	61,564	490,625
Public Safety					
Police department	2,049,286	2,049,286	2,054,208	(4,922)	2,166,372
Fire department	227,060	227,060	216,703	10,357	252,588
Inspection	133,692	89,692	83,931	5,761	38,054
Total public safety	2,410,038	2,366,038	2,354,842	11,196	2,457,014
Public Works					
Streets and roads	564,375	979,375	763,474	215,901	781,776
Salt dome	85,100	85,100	71,578	13,522	94,321
Capital outlay	-	120,000	29,752	90,248	-
Maintenance building	15,200	15,200	17,383	(2,183)	14,852
Street lights	59,000	59,000	61,973	(2,973)	58,625
Weeds	1,050	1,050	300	750	100
Sanitation	602,650	602,650	575,999	26,651	551,190
Total public works	1,327,375	1,862,375	1,520,459	341,916	1,500,864
Health and Human Services					
Cemetery	14,785	14,785	8,825	5,960	10,099
Culture and Recreation					
Parks - general	190,646	190,646	164,922	25,724	150,447
Library	271,082	271,082	271,082	-	246,083
Community service	1,500	1,500	-	1,500	-
Total culture and recreation	463,228	463,228	436,004	27,224	396,530
Conservation and Development					
Planning and zoning	-	-	-	-	3,443
Total Expenditures	$ 4,861,737	$ 5,311,737	$ 4,863,877	$ 447,860	$ 4,858,575

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

	Special Revenue				Capital Projects		Totals	
	Park Dedication	Lake Rehabilitation	Housing Program	Launch/ Marina	TID No. 1	Capital Projects	2019	2018
ASSETS								
Cash and investments	$ 24,014	$ 347,040	$ -	$ 303,380	$ -	$ -	$ 674,434	$ 757,505
Receivables								
Taxes and special charges	-	78,000	-	58,112	211,593	-	347,705	167,340
Loans	-	-	-	-	4,202	-	4,202	332,895
Prepaid items	-	177	-	177	-	-	354	340
Total assets	$ 24,014	$ 425,217	$ -	$ 361,669	$ 215,795	$ -	$ 1,026,695	$ 1,258,080
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ 30	$ -	$ 263	$ -	$ -	$ 293	$ 30
Due to other funds	-	-	-	-	37,230	47,738	84,968	39,507
Total liabilities	-	30	-	263	37,230	47,738	85,261	39,537
Deferred inflows of resources								
Property taxes levied for subsequent year	-	78,000	-	58,112	211,593	-	347,705	167,340
Loans receivable	-	-	-	-	4,202	-	4,202	332,895
Total deferred inflows of resources	-	78,000	-	58,112	215,795	-	351,907	500,235
Fund balances								
Nonspendable	-	177	-	177	-	-	354	340
Restricted	-	-	-	-	-	-	-	95,686
Assigned	24,014	347,010	-	303,117	-	-	674,141	661,789
Unassigned	-	-	-	-	(37,230)	(47,738)	(84,968)	(39,507)
Total fund balances	24,014	347,187	-	303,294	(37,230)	(47,738)	589,527	718,308
Total liabilities, deferred inflows of resources, and fund balances	$ 24,014	$ 425,217	$ -	$ 361,669	$ 215,795	$ -	$ 1,026,695	$ 1,258,080

Village of Twin Lakes, Wisconsin

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

	Special Revenue				Capital Projects		Totals	
	Park Dedication	Lake Rehabilitation	Housing Program	Launch/ Marina	TID No. 1	Capital Projects	2019	2018
REVENUES								
Taxes	$ -	$ 78,000	$ -	$ 28,918	$ 45,904	$ -	$ 152,822	$ 244,046
Intergovernmental	-	-	-	-	3,586	-	3,586	3,291
Public charges for services	14,500	-	-	60,058	-	-	74,558	109,270
Miscellaneous	-	105	21	15,400	3,077	23,033	41,636	70,852
Total revenues	14,500	78,105	21	104,376	52,567	23,033	272,602	427,459
EXPENDITURES								
Current								
Public works	-	73,445	-	-	-	-	73,445	49,528
Culture and recreation	-	-	-	25,196	-	-	25,196	5,092
Conservation and development	-	-	28,549	-	4,525	-	33,074	6,448
Capital outlay								
Public safety	-	-	-	-	-	582,962	582,962	-
Culture and recreation	-	-	-	-	-	-	-	58,947
Total expenditures	-	73,445	28,549	25,196	4,525	582,962	714,677	120,015
Excess of revenues over (under) expenditures	14,500	4,660	(28,528)	79,180	48,042	(559,929)	(442,075)	307,444
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	574,731	574,731	-
Transfers out	-	(19,000)	-	(66,974)	(152,430)	(23,033)	(261,437)	(260,622)
Total other financing sources (uses)	-	(19,000)	-	(66,974)	(152,430)	551,698	313,294	(260,622)
Net change in fund balances	14,500	(14,340)	(28,528)	12,206	(104,388)	(8,231)	(128,781)	46,822
Fund balances - January 1	9,514	361,527	28,528	291,088	67,158	(39,507)	718,308	671,486
Fund balances - December 31	$ 24,014	$ 347,187	$ -	$ 303,294	$ (37,230)	$ (47,738)	$ 589,527	$ 718,308

CliftonLarsonAllen LLP
CLAconnect.com

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

To the Village Board
Village of Twin Lakes, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Twin Lakes, Wisconsin, (the "Village") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 14, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses we did identify a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-001 and 2019-003 to be a material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-002.

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COMPLIANCE AND OTHER MATTERS

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

VILLAGE OF TWIN LAKE'S RESPONSE TO FINDINGS

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

PURPOSE OF THIS REPORT

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
December 14, 2020

Village of Twin Lakes, Wisconsin

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

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2019-001	**Segregation of Duties** Repeat of Finding 2018-001 Material weakness in internal control over financial reporting
Condition:	A limited number of Village employees perform the majority of the accounting functions for the Village of Twin Lakes.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of employees and the size of Village's operations.
Effect:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction. Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Village perform a risk assessment of its operations and current procedures to identify and implement mitigating controls in regards to initiating, authorizing and approving transactions in each accounting cycle. As a part of this risk assessment, the Village will identify tasks that could be reassigned to other Village personnel. We also recommend the Village Board continue to monitor the transactions and the financial records of the Village.
Management Response:	Management believes that the cost of segregating cash receipts and cash disbursement duties from the related recording functions outweigh the benefits to be received.

Village of Twin Lakes, Wisconsin

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

FINDING NO.	CONTROL DEFICIENCIES
2019-002	**Preparation of Annual Financial Report** Repeat of Finding 2018-002 Significant deficiency in internal control over financial reporting
Condition:	Current Village staff maintains accounting records which reflect the Village's financial transactions; however, preparing the Village's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Village contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. For the same reasons, the Village contracts with us to compile the Wisconsin Municipal Financial Report Form C.
Context	While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.
Criteria:	The preparation and review of the annual financial report and municipal financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	Village management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
Effect:	The Village may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the Village continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Village is necessary to obtain a complete and adequate understanding of the Village's annual financial report and municipal financial report.
Management Response:	Management believes that the cost of hiring additional staff to prepare financial reports outweigh the benefits to be received. Management will continue to review financial statements and information prior to issuance.

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

FINDING NO.	CONTROL DEFICIENCIES
2019-003	**Adjustments to the Village's Financial Records** Repeat of Finding 2018-003 Material weakness in internal control over financial reporting
Condition:	As part of our audit, we proposed adjusting journal entries that were significant to the Village's financial statement.
Context	While performing audit procedures, it was noted that management does not have sufficient controls in place related to year end closing procedures.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	While Village staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.
Effect:	Year-end financial records prepared by the Village may contain material misstatements.
Recommendation:	We recommend the Village continue to review and approve adjustments, along with reviewing support for the adjustments. We are available to assist the individual in obtaining the understanding to prepare these entries.
Management Response:	Management reviews and approves all audit adjustments proposed by CLA. In addition, the Village Treasurer and Administrator contact CLA for assistance as needed throughout the year and have entered into a contract with another CPA firm to assist the Village during the year.

SECTION II. COMPLIANCE AND OTHER MATTERS

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

APPENDIX B

FORM OF LEGAL OPINION

(See following pages.)

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

March 18, 2021

Re: Village of Twin Lakes, Wisconsin ("Issuer")
$2,875,000 General Obligation Promissory Notes, Series 2021B,
dated March 18, 2021 ("Notes")

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

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

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

Year	Principal Amount	Interest Rate
2022	$70,000	___%
2023	300,000	___
2024	295,000	___
2025	295,000	___
2026	295,000	___
2027	305,000	___
2028	300,000	___
2029	300,000	___
2030	360,000	___
2031	355,000	___

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

The Notes maturing on February 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on February 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

APPENDIX C

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.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Twin Lakes, Kenosha County, Wisconsin (the "Issuer") in connection with the issuance of $2,875,000 General Obligation Promissory Notes, Series 2021B, dated March 18, 2021 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on February 15, 2021, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Promissory Notes, Series 2021B (the "Resolution") and delivered to ______________________________ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data annually and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

"Final Official Statement" means the Final Official Statement dated March 4, 2021 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

"Issuer" means the Village of Twin Lakes, Kenosha County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Village Administrator/Treasurer of the Issuer who can be contacted at 108 East Main Street, Twin Lakes, Wisconsin 53181, phone (262) 877-2858, fax (262) 877-4019.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

<u>Section 3. Provision of Annual Report and Audited Financial Statements</u>.

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

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

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

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

____
Howard K. Skinner
President

(SEAL)

____
Sabrina Waswo
Village Clerk

QB\66908789.1

APPENDIX E

NOTICE OF SALE

$2,875,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021B
VILLAGE OF TWIN LAKES, WISCONSIN

Bids for the purchase of $2,875,000* General Obligation Promissory Notes, Series 2021B (the "Notes") of the Village of Twin Lakes, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on March 3, 2021, at which time they will be opened, read and tabulated. **The Village Board adopted a resolution on February 15, 2021 (the "Parameters Resolution"), which authorizes the Village Administrator/Treasurer or the Village Clerk (each an "Authorized Officer") to accept a bid for the Notes if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on March 3, 2021, neither the Village Administrator/Treasurer or the Village Clerk will have the authority to accept a bid for the Notes, and all bids for the Notes will be rejected.**

PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of a new Village Hall. The Notes are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

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

Year	Amount*	Year	Amount*	Year	Amount*
2022	$70,000	2026	$295,000	2030	$360,000
2023	300,000	2027	305,000	2031	355,000
2024	295,000	2028	300,000		
2025	295,000	2029	300,000		

ADJUSTMENT OPTION

* The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $50,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

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

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

The Village 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 Notes maturing on or after February 1, 2028 shall be subject to optional redemption prior to maturity on February 1, 2027 or any date thereafter, at a price of par plus accrued interest.

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

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

DELIVERY

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

LEGAL MATTERS

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

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Notes. Although, as Disclosure Counsel to the Village, Quarles & Brady LLP has assisted the Village with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than $2,846,250 nor more than $3,018,750 plus accrued interest on the principal sum of $2,875,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

1) Electronically to bondsale@ehlers-inc.com; or

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

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

A good faith deposit ("Deposit") in the amount of $57,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid. **The Notes will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 2.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

(1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;

(2) all bidders shall have an equal opportunity to bid;

(3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the Village anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

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

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

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) "public" means any person other than an underwriter or a related party,

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

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

(iv) "sale date" means the date that the Notes are awarded by the Village to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Village Board

Sabrina Waswo, Village Clerk
Village of Twin Lakes, Wisconsin

BID FORM

March 3, 2021

Village of Twin Lakes, Wisconsin

RE: **$2,875,000* General Obligation Promissory Notes, Series 2021B (the "Notes")**
DATED: **March 18, 2021**

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $__________________ (not less than $2,846,250 nor more than $3,018,750) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

________	% due	2022	________	% due	2026	________	% due	2030
________	% due	2023	________	% due	2027	________	% due	2031
________	% due	2024	________	% due	2028			
________	% due	2025	________	% due	2029			

* The Village reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of $5,000 each, up to a maximum of $50,000 per maturity. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

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

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

A good faith deposit ("Deposit") in the amount of $57,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about March 18, 2021.

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

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

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

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

If the competitive sale requirements are <u>not</u> met, we elect to use either the: _____10% test, or the _____hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: ______________________________ By: ______________________________

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from March 18, 2021 of the above bid is $_______________and the true interest cost (TIC) is __________%.

The foregoing offer is hereby accepted by and on behalf of the Village of Twin Lakes, Wisconsin, on March 3, 2021.

By: ______________________________

Title: ______________________________