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Windsor

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

For the Year Ended December 31, 2017

VILLAGE OF WINDSOR

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December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Windsor
DeForest, Wisconsin

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Windsor, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Windsor, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page i through xii, and the Wisconsin Retirement System schedules and budgetary comparison information 48 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Johnson Block & Company, Inc.

Johnson Block and Company, Inc.
Certified Public Accountants
Madison, Wisconsin
August 29, 2018

**VILLAGE OF WINDSOR
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended December 31, 2017

As management of the Village of Windsor, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2017. We encourage the reader to consider the information presented here in conjunction with the Independent Auditor's Report at the front of this report and the Village's financial statements, which immediately follow this section.

THE FINANCIAL HIGHLIGHTS

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

- The assets of the Village exceeded its liabilities as of December 31, 2017 by \$32,874,442, which included \$18,041,481 net position of governmental activities and \$14,832,961 net position of business-type activities. Total net position includes all infrastructure of the governmental funds.
- The Village of Windsor's total net position increased by \$2,539,195. Governmental activities net position increased by \$1,605,810 and business-type activities increased by \$933,385.
- As of December 31, 2017, the Village of Windsor's governmental funds reported combined ending fund balances of \$4,971,961. This includes nonspendable fund balance of \$297,663, restricted fund balance of \$2,011,130, committed fund balance of \$21,713, assigned fund balance of \$2,278,333 and unassigned fund balance of \$363,122.
- As of December 31, 2017, the unassigned fund balance for the general fund was \$767,503 or approximately 24 percent of total general fund expenditures. Of this amount \$180,000 has been earmarked for cash management.
- The Village of Windsor's total general obligation debt decreased by \$928,445 during 2017, and total mortgage revenue bonds decreased by \$41,674.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- The *Statement of Net Position* presents information on all of the Village of Windsor's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e. g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government; public safety; public works; health, welfare and sanitation; culture and recreation; and conservation and development. The business-type activities of the Village include the Windsor Water Utility, Windsor Sewer Utility, Water Utility District #1, Sewer Utility District #1, Water Utility District #2 and Sewer Utility District #2.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The Village maintains 9 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, TIF District #1 and Capital Projects Fund. Data from the remaining 5 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report.

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

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

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Windsor Water and Sewer Utilities, which are considered to be major funds of the Village, and the water utilities #1 and #2 and the sewer utility district #1 and #2 which are considered to be non-major. The basic proprietary fund financial statements can be found on pages 7 through 10 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's programs. The fiduciary funds maintained by the Village of Windsor are the Tax Collection Fund, which records the tax roll and tax collections for other taxing jurisdictions within the Village, the Community Center Fund, and the Half-Century Club Fund. The basic fiduciary fund financial statements can be found on page 11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 47 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds are presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 51 through 54 of this report. Debt repayment schedules can be found on pages 55 through 58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1, below, provides a summary of the Village's net position for the year ended December 31, 2017.

Village of Windsor's Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 11,343,834	\$ 10,964,653	\$ 3,312,667	\$ 3,137,406	\$ 14,656,501	\$ 14,102,059
Land held for resale	3,585,742	3,508,219	-	-	3,585,742	3,508,219
Capital assets	18,106,784	19,415,936	13,888,270	15,015,954	31,995,054	34,431,890
Deferred outflows	244,503	197,353	60,168	44,332	304,671	241,685
Total assets and deferred outflows	<u>\$ 33,280,863</u>	<u>\$ 34,086,161</u>	<u>\$ 17,261,105</u>	<u>\$ 18,197,692</u>	<u>\$ 50,541,968</u>	<u>\$ 52,283,853</u>
Long-term liabilities outstanding	\$ 12,210,894	\$ 11,283,656	\$ 3,013,900	\$ 2,898,623	\$ 15,224,794	\$ 14,182,279
Other liabilities	619,560	385,181	248,286	382,068	867,846	767,249
Deferred Inflows	4,014,738	4,375,843	99,343	84,040	4,114,081	4,459,883
Total liabilities and deferred inflows	<u>\$ 16,845,192</u>	<u>\$ 16,044,680</u>	<u>\$ 3,361,529</u>	<u>\$ 3,364,731</u>	<u>\$ 20,206,721</u>	<u>\$ 19,409,411</u>
Net Position:						
Net Investment in Capital Assets	\$ 12,608,612	\$ 14,004,022	\$ 11,744,344	\$ 12,644,518	\$ 24,352,956	\$ 26,648,540
Restricted	952,856	1,755,095	284,378	590,281	1,237,234	2,345,376
Unrestricted	2,874,203	2,282,364	1,870,854	1,598,162	4,745,057	3,880,526
Total Net Position	<u>\$ 16,435,671</u>	<u>\$ 18,041,481</u>	<u>\$ 13,899,576</u>	<u>\$ 14,832,961</u>	<u>\$ 30,335,247</u>	<u>\$ 32,874,442</u>

The largest portion of the Village's net position (81%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

A portion of the Village's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,880,526) may be used to meet the Village's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

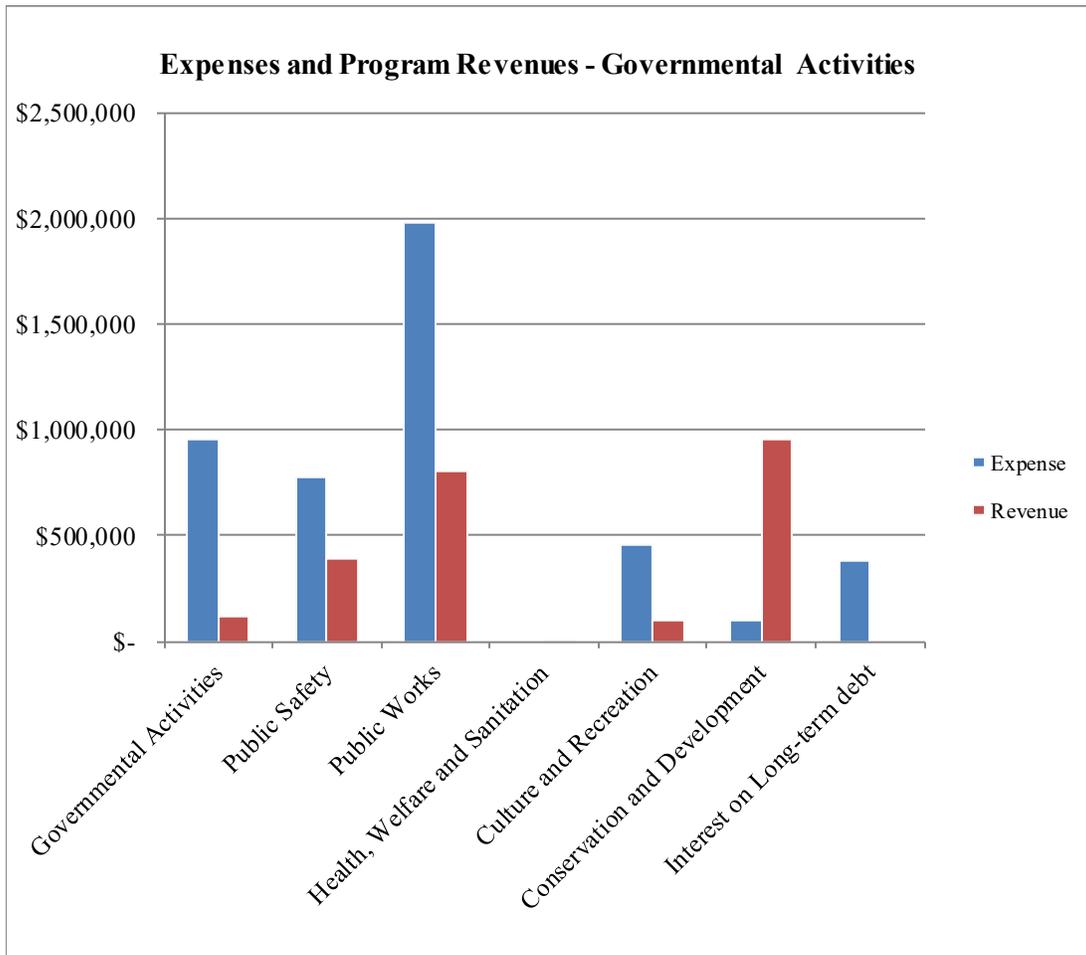
Table 2, below, provides a summary of the Village's operating results and their impact on net position for the year ended December 31, 2017. In 2017 the Village relied primarily on property taxes (40%), charges for services (27%), and capital grants and contributions (26%) to fund its operations. Combined, these account for Taxes account for 92% of all revenues or approximately \$8.1 million. Program revenues, including charges for services, operating and capital grants accounted for \$4.8 million of the total revenues of \$8.7 million.

Village of Windsor's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program revenues:						
Charges for services and fees, fines, and costs	\$ 1,388,278	\$ 988,012	\$ 1,259,278	\$ 1,345,778	\$ 2,647,556	\$ 2,333,790
Operating grants and contributions	247,303	250,547	-	-	247,303	250,547
Capital grants and contributions	2,798,699	1,126,369	1,522,755	1,105,728	4,321,454	2,232,097
General revenues:						
Property taxes	3,237,386	3,513,378	-	-	3,237,386	3,513,378
Other taxes	63,547	81,982	-	-	63,547	81,982
Grants and contributions not restricted to specific programs	71,031	70,160	-	-	71,031	70,160
Unrestricted interest and investment	52,583	53,058	10,709	20,181	63,292	73,239
Miscellaneous	222,232	69,922	30,852	15,373	253,084	85,295
Gain (loss) on retirement of asset(s)	634,455	104,976	-	-	634,455	104,976
Transfers	120,268	-	(120,268)	-	-	-
Total Revenues	\$ 8,835,782	\$ 6,258,404	\$ 2,703,326	\$ 2,487,060	\$ 11,539,108	\$ 8,745,464
Expenses:						
General Government	\$ 1,099,640	\$ 957,314	\$ -	\$ -	\$ 1,099,640	\$ 957,314
Public Safety	824,072	777,562	-	-	824,072	777,562
Public Works	2,002,111	1,981,645	-	-	2,002,111	1,981,645
Culture and Recreation	421,074	453,699	-	-	421,074	453,699
Conservation and Development	341,871	101,586	-	-	341,871	101,586
Interest on Long-Term Debt	423,534	380,788	-	-	423,534	380,788
Water & Sewer	-	-	1,573,492	1,553,675	1,573,492	1,553,675
Total Expenses	5,112,302	4,652,594	1,573,492	1,553,675	6,685,794	6,206,269
Increase in Net Position	3,723,480	1,605,810	1,129,834	933,385	4,853,314	2,539,195
Net Position - January 1	11,832,017	16,435,671	10,690,816	13,899,576	22,522,833	30,335,247
Restatement	880,174	-	2,078,926	-	2,959,100	-
Net Position - January 1 - Restated	12,712,191	16,435,671	12,769,742	13,899,576	25,481,933	30,335,247
Net Position - December 31	\$ 16,435,671	\$ 18,041,481	\$ 13,899,576	\$ 14,832,961	\$ 30,335,247	\$ 32,874,442

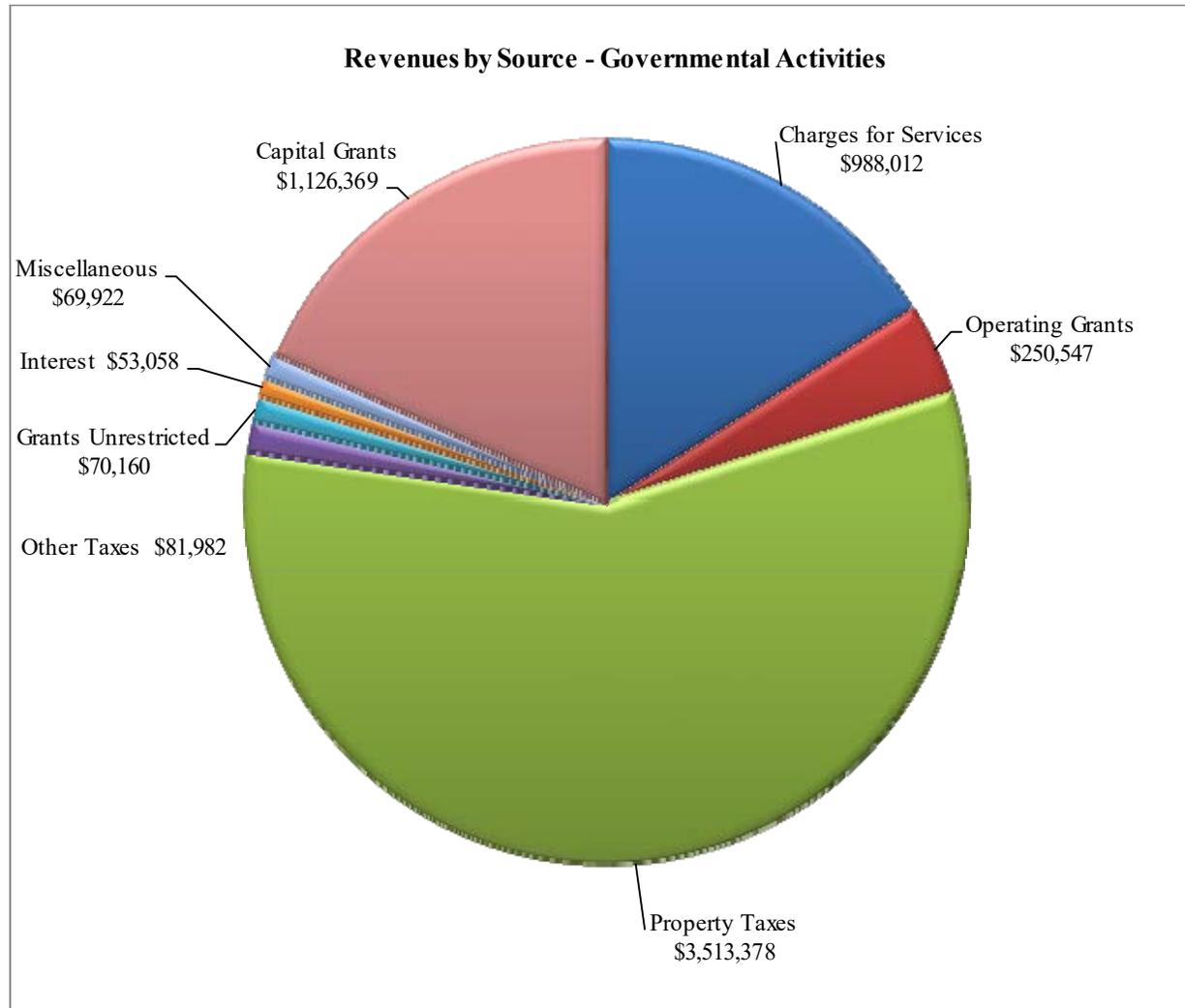
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities: Governmental activities increased the Village's net position by \$1,605,810. Key elements of this increase are as follows:

- Conservation and development expenses decreased mainly from TIF spending.
- Capital contributions in the form of developer contributed assets totaled approximately \$950,000.

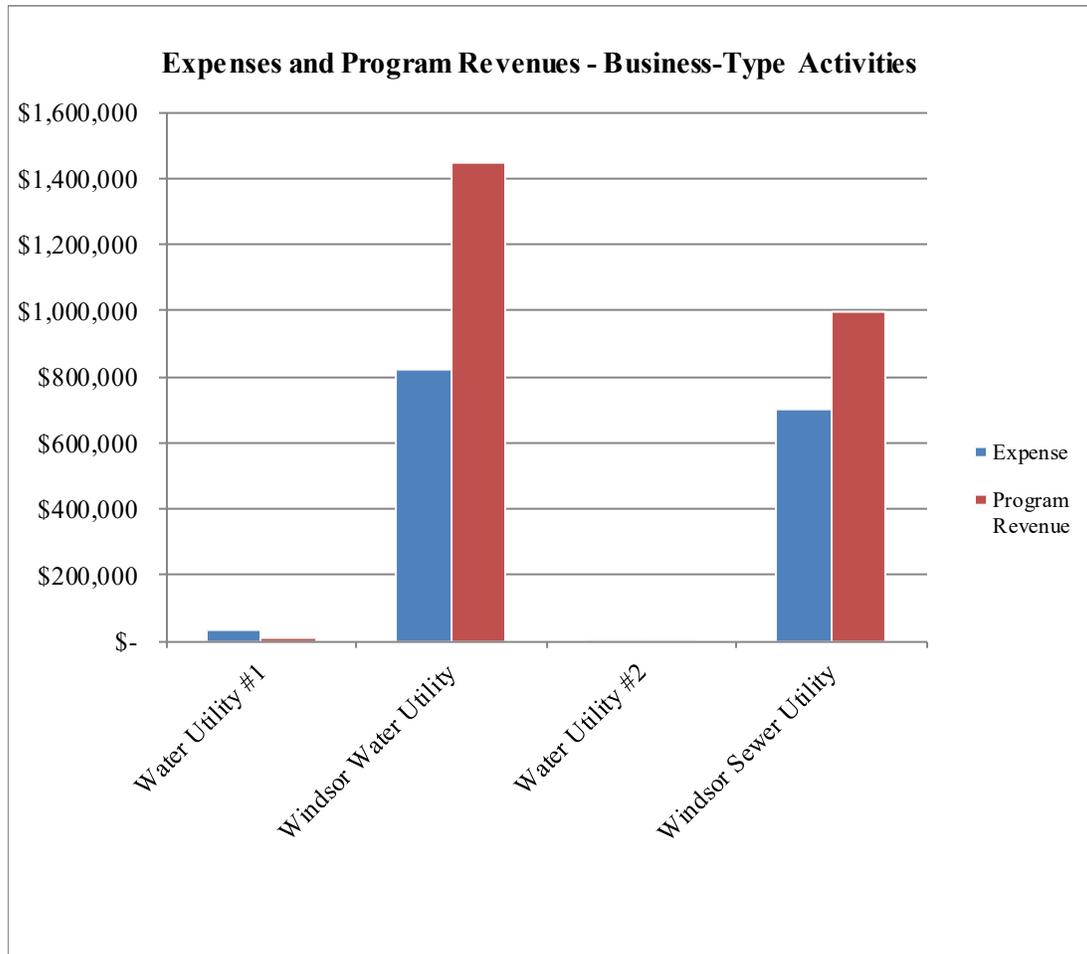


GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

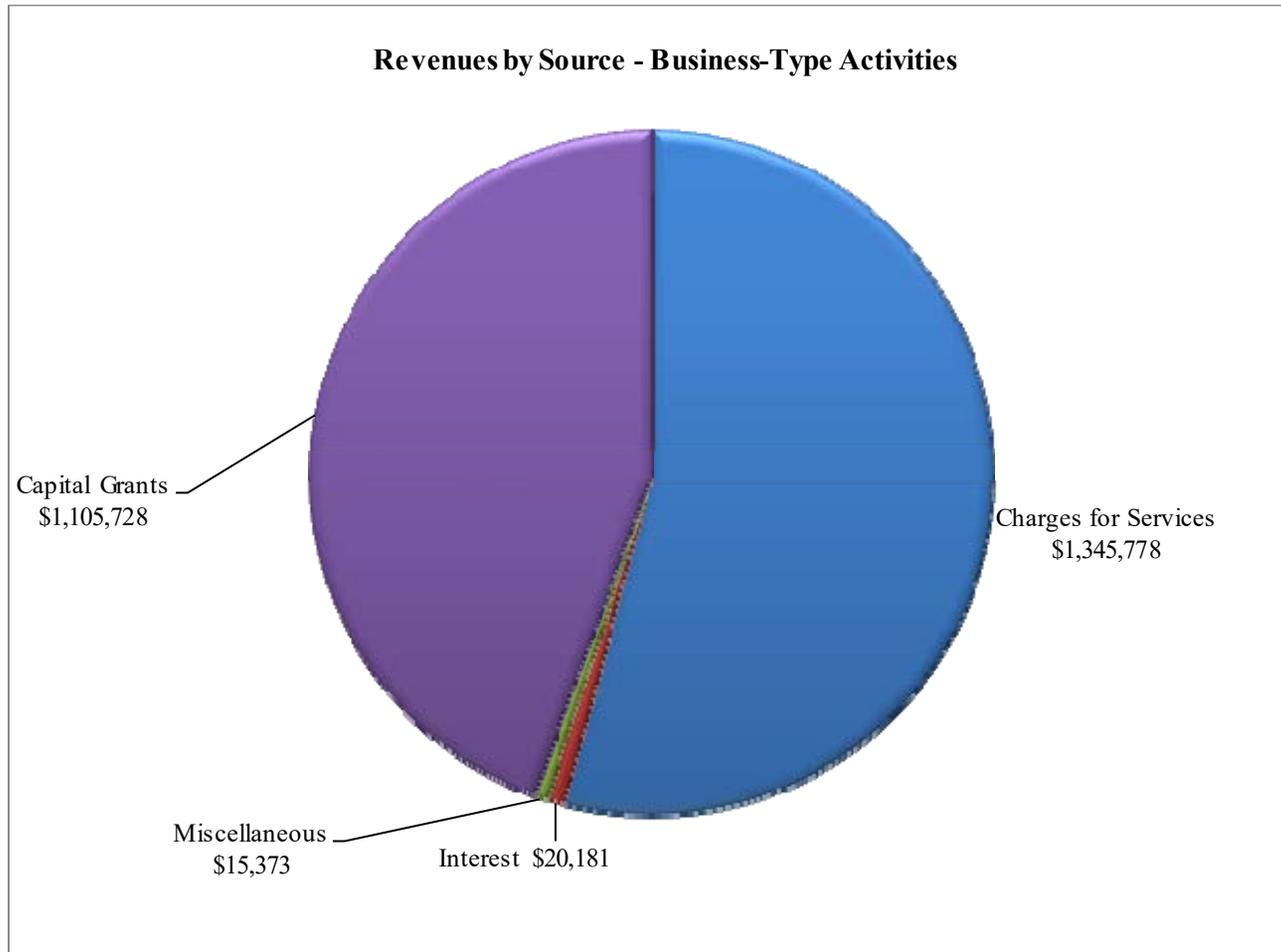


GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities: Net position of the business-type activities increased by \$933,385. The key element of this increase was from developer contributions.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)



FINANCIAL ANALYSIS OF THE VILLAGE OF WINDSOR'S FUNDS

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

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

As of December 31, 2017, the Village's governmental funds reported combined ending fund balances of \$4,971,961, a decrease of \$631,072 from the prior year. Of the combined ending fund balance, \$297,309 is nonspendable in the forms of advances receivable and prepaid expenses, \$554,010 is restricted for impact fees, \$515,756 is restricted for capital projects, \$605,344 is restricted for parks, \$310,106 for the Community Development Authority, and \$25,914 is restricted for other purposes. Committed fund balance of \$21,713 is for the Token Creek Conservancy. The Village has assigned \$125,741 other purposes including emergency management, \$1,925,156 for debt payments and \$227,436 for sinking funds. The general fund has an unassigned fund balance of \$767,503 and TIF District #1 has a deficit fund balance of \$404,381.

The general fund is the chief operating fund of the Village. At the end of the current year, unassigned and total fund balance of the general fund was \$767,503 and \$1,817,964, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 24% of total general fund expenditures. Total fund balance represents 56% of general fund expenditures.

During the current year, the Village's general fund balance decreased by \$311,199. Key factors in this increase are as follows:

- General fund expenditures were more than the budget by \$211,190, primarily in culture, recreation and education expenditures. Additional park and other recreation expenditures were funded by prior year revenues carried forward.
- General fund revenues were more than the budget by \$198,334, primarily in the form of charges for services and licenses and permits.

Proprietary funds. The Village's proprietary funds provide the same type of information found in the Village's government-wide financial statements, but in more detail. At December 31, 2017, the Village's proprietary funds reported combined net position of \$14,832,961.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the year, actual revenues were more than the budgeted revenues by \$198,334. The primary reasons for these variances are as follows:

- Public charges for services exceeded budgets by \$85,580.
- License and Permits revenue were more than budget by \$103,474.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Actual expenditures were more than budgeted expenditures by \$211,190. The primary reasons for these variances are as follows:

- Expenditures for culture, recreation and education were more than budget by \$279,989.
- Expenditures for public works were less than budget by \$44,464.
- Expenditures for general government were less than budget by \$10,956.
- Expenditures for public safety were less than the departmental budgets by \$19,882.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Village of Windsor’s investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$34,431,890 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure and construction in progress. Infrastructure placed in service prior to January 1, 2004 (roads, storm sewers, and culverts) is included. The net increase in the Village’s investment in capital assets for the current year was \$2,436,836.

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

- Governmental Activities:
 - Approximately \$350,000 in new or improvements to park shelters
 - Approximately \$450,000 in purchase of new public works facility
 - Purchase of a new plow truck \$157,000
 - Road reconstruction \$103,000
 - Developer contributed infrastructure, including roads, sidewalks, storm sewers, curb and gutter and paths \$950,000
- Business-Type Activities:
 - Developer financed infrastructure additions \$557,000
 - Construction in progress for a new water booster station \$875,000

Additional information on the Village of Windsor’s capital assets can be found in Note 4 on page 28 through 30 of this report.

Village of Windsor's Capital Assets						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Land	\$ 4,357,680	\$ 4,372,768	\$ 180,445	\$ 180,445	\$ 4,538,125	\$ 4,553,213
Conservation Easements	1,268,267	1,268,267	-	-	1,268,267	1,268,267
Construction in process	-	17,653	15,617	892,301	15,617	909,954
Building and Improvements	2,930,622	3,764,853	-	-	2,930,622	3,764,853
Equipment	1,325,824	1,628,005	1,332,163	1,359,091	2,657,987	2,987,096
Infrastructure	20,708,831	21,739,696	16,425,237	17,007,029	37,134,068	38,746,725
Total capital assets	\$ 30,591,224	\$ 32,791,242	\$ 17,953,462	\$ 19,438,866	\$ 48,544,686	\$ 52,230,108

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term debt. At December 31, 2017, the Village of Windsor had total long-term debt outstanding of \$13,986,713, of which \$13,530,000 was backed by the full faith of the Village.

Village of Windsor's Outstanding Debt						
General Obligations & Note Anticipation Notes						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
General Obligation Debt	\$ 12,010,000	\$ 11,150,000	\$ 2,448,445	\$ 2,380,000	\$ 14,458,445	\$ 13,530,000
Mortgage Revenue Bonds	-	-	498,387	456,713	498,387	456,713
Total Outstanding Debt	\$ 12,010,000	\$ 11,150,000	\$ 2,946,832	\$ 2,836,713	\$ 14,956,832	\$ 13,986,713

During the fiscal year, the Village of Windsor’s general obligation debt balance decreased by \$928,445. Additional information on the Village’s long-term debt can be found in Note 5 on pages 30 through 34 of this report.

Economic Factors and Next Year’s Budgets and Rates

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

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

All of these factors were considered in preparing the Village’s budget for the 2018 fiscal year.

The general obligation debt outstanding of \$13,530,000 is well below the allowable amount of \$40,263,620 which is 5% of the valuation of taxable property as equalized for State purposes.

Contacting the Village’s Financial Management

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

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

VILLAGE OF WINDSOR

Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Equivalents	\$ 4,548,698	\$ 1,865,849	\$ 6,414,547
Receivables	4,381,309	128,609	4,509,918
Due (to) from Fiduciary Funds	20,476	-	20,476
Inventories	-	25,409	25,409
Prepaid Expenses	455	71	526
Total Current Assets	<u>8,950,938</u>	<u>2,019,938</u>	<u>10,970,876</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	554,010	1,117,468	1,671,478
Total Restricted Assets	<u>554,010</u>	<u>1,117,468</u>	<u>1,671,478</u>
Capital Assets:			
Land, Improvements, Construction in Process and Infrastructure in Process	5,658,688	1,072,746	6,731,434
Other Capital Assets, Net of Depreciation	13,757,248	13,943,208	27,700,456
Total Capital Assets	<u>19,415,936</u>	<u>15,015,954</u>	<u>34,431,890</u>
Other Non-Current Assets:			
Land Held for Resale	3,508,219	-	3,508,219
Investment in Joint Ventures	1,459,705	-	1,459,705
Total Other Non-Current Assets	<u>4,967,924</u>	<u>-</u>	<u>4,967,924</u>
Total Assets	<u>33,888,808</u>	<u>18,153,360</u>	<u>52,042,168</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	197,353	44,332	241,685
Total Deferred Outflows	<u>197,353</u>	<u>44,332</u>	<u>241,685</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 34,086,161</u>	<u>\$ 18,197,692</u>	<u>\$ 52,283,853</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 231,830	\$ 354,023	\$ 585,853
Due to Other Governmental Agencies	31	-	31
Accrued Interest Payable	89,999	22,502	112,501
Current Portion of Long-Term Debt	1,411,115	166,152	1,577,267
Total Current Liabilities	<u>1,732,975</u>	<u>542,677</u>	<u>2,275,652</u>
Non-Current Liabilities:			
Net Pension Liability	26,054	5,543	31,597
Long-Term Debt	9,872,541	2,732,471	12,605,012
Compensated absences	37,267	-	37,267
Total Non-Current Liabilities	<u>9,935,862</u>	<u>2,738,014</u>	<u>12,673,876</u>
Total Liabilities	<u>11,668,837</u>	<u>3,280,691</u>	<u>14,949,528</u>
DEFERRED INFLOWS OF RESOURCES			
Regulatory Credit	-	60,537	60,537
Tax Levy	4,291,166	-	4,291,166
Deferred Pension Inflows	83,934	22,765	106,699
Other	743	738	1,481
Total Deferred Inflows of Resources	<u>4,375,843</u>	<u>84,040</u>	<u>4,459,883</u>
NET POSITION			
Net Investment in Capital Assets	14,004,022	12,644,518	26,648,540
Restricted	1,755,095	590,281	2,345,376
Unrestricted	2,282,364	1,598,162	3,880,526
Total Net Position	<u>18,041,481</u>	<u>14,832,961</u>	<u>32,874,442</u>
Total Net Position, Liabilities and Deferred Inflows	<u>\$ 34,086,161</u>	<u>\$ 18,197,692</u>	<u>\$ 52,283,853</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 957,314	\$ 114,233	\$ -	\$ -	\$ (843,081)		\$ (843,081)
Public Safety	777,562	360,403	29,354	-	(387,805)		(387,805)
Public Works	1,981,645	411,845	220,935	173,872	(1,174,993)		(1,174,993)
Health, Welfare and Sanitation	-	-	258	-	258		258
Culture, Recreation and Education	453,699	100,121	-	-	(353,578)		(353,578)
Conservation and Development	101,586	1,410	-	952,497	852,321		852,321
Interest on Long-Term Debt	380,788	-	-	-	(380,788)		(380,788)
Total Governmental Activities	<u>4,652,594</u>	<u>988,012</u>	<u>250,547</u>	<u>1,126,369</u>	<u>(2,287,666)</u>		<u>(2,287,666)</u>
Business-Type Activities							
Water Utility #1	33,539	528	-	9,000	-	\$ (24,011)	(24,011)
Water Utility #2	746	129	-	-	-	(617)	(617)
Windsor Water Utility	818,964	673,645	-	771,933	-	626,614	626,614
Windsor Sewer Utility	700,426	671,476	-	324,795	-	295,845	295,845
Total Business-Type Activities	<u>1,553,675</u>	<u>1,345,778</u>	<u>-</u>	<u>1,105,728</u>	<u>-</u>	<u>897,831</u>	<u>897,831</u>
Total Primary Government	<u>\$ 4,652,594</u>	<u>\$ 988,012</u>	<u>\$ 250,547</u>	<u>\$ 1,126,369</u>	<u>(2,287,666)</u>	<u>897,831</u>	<u>(1,389,835)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					1,990,504	-	1,990,504
Property taxes, levied for debt service					1,522,874	-	1,522,874
Room taxes					22,802	-	22,802
Other taxes					59,180	-	59,180
Grants and contributions not restricted to specific programs					70,160	-	70,160
Unrestricted investment earnings					53,058	20,181	73,239
Miscellaneous					69,922	15,373	85,295
Special item - gain(loss) on sale of assets					104,976	-	104,976
Total General Revenues and Special Items					<u>3,893,476</u>	<u>35,554</u>	<u>3,929,030</u>
Change in Net Position					<u>1,605,810</u>	<u>933,385</u>	<u>2,539,195</u>
Net Position - Beginning					<u>16,435,671</u>	<u>13,899,576</u>	<u>30,335,247</u>
Net Position - Ending					<u>\$ 18,041,481</u>	<u>\$ 14,832,961</u>	<u>\$ 32,874,442</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Debt Service	TIF District #1	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,577,204	\$ 1,925,156	\$ -	\$ 533,487	\$ 512,851	\$ 4,548,698
Restricted Cash	-	-	-	-	554,010	554,010
Receivables:						
Taxes	2,484,503	1,644,580	95,889	-	80,000	4,304,972
Special Assessments	9,217	-	-	-	-	9,217
Other	18,885	-	-	-	91,714	110,599
Due from Other Funds	48,814	-	-	-	-	48,814
Prepaid Expenses	455	-	-	-	-	455
Advances Receivable	297,208	-	-	-	-	297,208
Total Assets	<u>\$ 4,436,286</u>	<u>\$ 3,569,736</u>	<u>\$ 95,889</u>	<u>533,487</u>	<u>\$ 1,238,575</u>	<u>\$ 9,873,973</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 137,634	\$ -	\$ 107,173	\$ 17,731	\$ 12,771	\$ 275,309
Due to Other Funds	-	-	-	-	28,338	28,338
Advances Payable	-	-	297,208	-	-	297,208
Payable to Other Governments	31	-	-	-	-	31
Total Liabilities	<u>137,665</u>	<u>-</u>	<u>404,381</u>	<u>17,731</u>	<u>41,109</u>	<u>600,886</u>
Deferred Inflows:						
Tax Levy	2,470,697	1,644,580	95,889	-	80,000	4,291,166
Special Charges	9,839	-	-	-	-	9,839
Other	121	-	-	-	-	121
Total Deferred Inflows	<u>2,480,657</u>	<u>1,644,580</u>	<u>95,889</u>	<u>-</u>	<u>80,000</u>	<u>4,301,126</u>
Fund Balances (Deficits):						
Nonspendable	297,663	-	-	-	-	297,663
Restricted	605,344	-	-	515,756	890,030	2,011,130
Committed	21,713	-	-	-	-	21,713
Assigned	125,741	1,925,156	-	-	227,436	2,278,333
Unassigned (Deficit)	767,503	-	(404,381)	-	-	363,122
Total Fund Balances	<u>1,817,964</u>	<u>1,925,156</u>	<u>(404,381)</u>	<u>515,756</u>	<u>1,117,466</u>	<u>4,971,961</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	<u>\$ 4,436,286</u>	<u>\$ 3,569,736</u>	<u>\$ 95,889</u>	<u>\$ 533,487</u>	<u>\$ 1,238,575</u>	<u>\$ 9,873,973</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2017**

Total fund balance, governmental funds	\$	4,971,961
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		19,415,936
<p>Land held for resale is capitalized on government-wide financial statements but is recorded as an expenditure when purchased on the fund financial statements. This is the amount after adjustment for sales of land.</p>		3,508,219
<p>Certain other deferred inflows that are not available to pay current period expenditures and therefore are not recognized as revenue in this fund financial statement, but are accrued in the governmental activities of the Statement of Net Position. This amount represents deferred special assessments and fire district and community center loan repayments.</p>		9,217
<p>Investment in joint ventures are not financial resources and, therefore, are not reported in the fund statements. This amount represents the current investment in the fire district and community center.</p>		1,459,705
<p>The net pension liability is not due and payable in current period and, therefore, is not reported in the fund statements.</p>		(26,054)
<p>Pension deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and, therefore, are not reported in the fund statements</p>		
Deferred outflows of resources	197,353	
Deferred inflows of resources	<u>(83,934)</u>	113,419
<p>Some liabilities, (such as Long-Term Debt and Accrued Interest), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
Current portion of Long-Term Debt	(1,411,115)	
Non-current portion of Long-Term Debt	(9,831,044)	
Net Discount (Premium) on Long-Term Debt	(41,497)	
Compensated Absences	(37,267)	
Accrued Interest	<u>(89,999)</u>	<u>(11,410,922)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>18,041,481</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2017

	General Fund	Debt Service	TIF District #1	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 1,918,459	\$ 1,522,874	\$ 2,045	\$ -	\$ 70,000	\$ 3,513,378
Other Taxes	81,982	-	-	-	-	81,982
Intergovernmental	320,707	-	-	-	-	320,707
License and Permits	326,959	-	-	-	180,101	507,060
Fines, Forfeits and Penalties	13,247	-	-	-	-	13,247
Public Charges for Services	512,268	-	-	-	66,030	578,298
Interest Income	19,990	13,882	-	4,839	2,999	41,710
Miscellaneous Income	57,015	63,652	-	-	52,210	172,877
Total Revenues	<u>3,250,627</u>	<u>1,600,408</u>	<u>2,045</u>	<u>4,839</u>	<u>371,340</u>	<u>5,229,259</u>
EXPENDITURES						
Current:						
General Government	806,580	1,159	7,328	1,349	68,792	885,208
Public Safety	760,998	-	-	-	135,545	896,543
Public Works	912,748	-	-	-	156,945	1,069,693
Culture, Recreation and Education	706,762	-	-	50,000	-	756,762
Conservation and Development	76,503	-	-	-	20,066	96,569
Capital Outlay	-	-	54,206	840,980	132,677	1,027,863
Debt Service						
Principal Repayment	-	1,469,818	-	-	-	1,469,818
Interest Expense & Fiscal Charges	-	274,280	116,094	-	-	390,374
Total Expenditures	<u>3,263,591</u>	<u>1,745,257</u>	<u>177,628</u>	<u>892,329</u>	<u>514,025</u>	<u>6,592,830</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,964)</u>	<u>(144,849)</u>	<u>(175,583)</u>	<u>(887,490)</u>	<u>(142,685)</u>	<u>(1,363,571)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Assets	-	182,499	-	-	-	182,499
Proceeds from Long-Term Debt	-	-	-	550,000	-	550,000
Transfers In	-	-	-	-	298,235	298,235
Transfers Out	(298,235)	-	-	-	-	(298,235)
Total Other Financing Sources and Uses	<u>(298,235)</u>	<u>182,499</u>	<u>-</u>	<u>550,000</u>	<u>298,235</u>	<u>732,499</u>
Net Change in Fund Balances	(311,199)	37,650	(175,583)	(337,490)	155,550	(631,072)
Fund Balances (Deficit) - Beginning	2,129,163	1,887,506	(228,798)	853,246	961,916	5,603,033
Fund Balances (Deficit) - Ending	<u>\$ 1,817,964</u>	<u>\$ 1,925,156</u>	<u>\$ (404,381)</u>	<u>\$ 515,756</u>	<u>\$ 1,117,466</u>	<u>\$ 4,971,961</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017**

Net change in fund balances - total governmental funds:	\$	(631,072)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
This is the amount by which depreciation (\$970,252) was less than capital outlays (\$1,326,907) in the current period.		356,655
Contributions of capital assets are recorded on the Statement of Net Position as an asset and as revenue in the statement of activities.		952,497
The proportionate share of the change in net position related to joint ventures reported in the statement of activities.		139,994
Compensated absences are reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
Change in compensated absences		(17,577)
The Statement of Activities reports only the net gain or (loss) on the sale of the land held for resale. The amount indicated here is the recovery of the basis on the sale of the land held for resale.		(77,523)
Governmental funds record revenues when they are available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This amount represents revenue recorded on the fund financial statements that was accrued in previous years.		(38,990)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of principal repayments on debt (\$1,410,000) and principal payments on capital leases (\$59,819) less current year proceeds (\$550,000) during the year.		919,819
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Change in accrued interest		13,719
Amortization of debt discount not reflected on Governmental funds		(4,133)
Amortization of debt premium not reflected on Governmental funds		11,553
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset from the prior year to the current year, with some adjustments.		
Amount of current year required contributions into the defined benefit pension plan		54,766
Actuarially determined change in net pension asset between years, with adjustments		(73,898)
Change in Net Position of governmental activities	\$	<u>1,605,810</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Statement of Net Position
 Proprietary Funds
 December 31, 2017

	Enterprise Funds			Total
	Windsor Water Utility	Windsor Sewer Utility	Non-Major Proprietary Funds	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 146,544	\$ 1,719,305	\$ -	\$ 1,865,849
Receivables:				
Accounts	66,704	61,905	-	128,609
Inventories	25,409	-	-	25,409
Prepaid Expenses	33	38	-	71
Total Current Assets	<u>238,690</u>	<u>1,781,248</u>	<u>-</u>	<u>2,019,938</u>
Restricted Assets:				
Restricted Cash and Cash Equivalents	<u>1,117,468</u>	<u>-</u>	<u>-</u>	<u>1,117,468</u>
Total Restricted Assets	<u>1,117,468</u>	<u>-</u>	<u>-</u>	<u>1,117,468</u>
Capital Assets:				
Land and Improvements	1,019,721	53,025	-	1,072,746
Construction Work in Progress	-	-	-	-
Other Capital Assets	11,547,006	6,819,114	-	18,366,120
Less: Accumulated Depreciation	<u>(2,276,206)</u>	<u>(2,146,706)</u>	<u>-</u>	<u>(4,422,912)</u>
Net Capital Assets	<u>10,290,521</u>	<u>4,725,433</u>	<u>-</u>	<u>15,015,954</u>
Total Assets	<u>11,646,679</u>	<u>6,506,681</u>	<u>-</u>	<u>18,153,360</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	<u>34,913</u>	<u>9,419</u>	<u>-</u>	<u>44,332</u>
Total Deferred Outflows of Resources	<u>34,913</u>	<u>9,419</u>	<u>-</u>	<u>44,332</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 11,681,592</u>	<u>\$ 6,516,100</u>	<u>\$ -</u>	<u>\$ 18,197,692</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds			
	Windsor Water Utility	Windsor Sewer Utility	Non-Major Proprietary Funds	Total
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 244,046	\$ 109,402	\$ -	\$ 353,448
Accrued Interest Payable	22,435	67	-	22,502
Current Portion of G.O. and Revenue Bonds Payable	166,152	-	-	166,152
Total Current Liabilities	433,208	109,469	-	542,677
Non-Current Liabilities:				
Net Pension Liability	4,365	1,178	-	5,543
Long-Term Debt:				
G.O. and Revenue Bonds Payable	2,732,471	-	-	2,732,471
Total Long-Term Debt	2,732,471	-	-	2,732,471
Total Non-Current Liabilities	2,736,836	1,178	-	2,738,014
Total Liabilities	3,170,044	110,647	-	3,280,691
DEFERRED INFLOWS OF RESOURCES				
Other Deferred Credits	60,537	-	-	60,537
Deferred Pension Inflows	17,928	4,837	-	22,765
Deferred Inflows - Other	-	738	-	738
Total Deferred Inflows of Resources	78,465	5,575	-	84,040
NET POSITION				
Net Investment in Capital Assets	7,919,085	4,725,433	-	12,644,518
Restricted Assets	590,281	-	-	590,281
Unrestricted	(76,283)	1,674,445	-	1,598,162
Total Net Position	8,433,083	6,399,878	-	14,832,961
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 11,681,592	\$ 6,516,100	\$ -	\$ 18,197,692

VILLAGE OF WINDSOR

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017**

	Enterprise Funds			Total
	Windsor Water Utility	Windsor Sewer Utility	Non-Major Proprietary Funds	
OPERATING REVENUES				
Charges for Services	\$ 612,605	\$ 664,353	\$ 358	\$ 1,277,316
Other Operating Revenues	2,278	5,502	299	8,079
Total Operating Revenues	<u>614,883</u>	<u>669,855</u>	<u>657</u>	<u>1,285,395</u>
OPERATING EXPENSES				
Operation and Maintenance	461,461	574,604	34,285	1,070,350
Depreciation	238,613	125,587	-	364,200
Total Operating Expenses	<u>700,074</u>	<u>700,191</u>	<u>34,285</u>	<u>1,434,550</u>
Operating Income (Loss)	<u>(85,191)</u>	<u>(30,336)</u>	<u>(33,628)</u>	<u>(149,155)</u>
NON-OPERATING REVENUES (EXPENSES)				
Amortization Revenue	15,251	-	-	15,251
Interest and Investment Revenue	13,599	6,582	-	20,181
Miscellaneous Non-Operating Revenue	58,762	1,620	123	60,505
Interest Expense	(118,891)	(234)	-	(119,125)
Total Non-Operating Revenues (Expenses)	<u>(31,279)</u>	<u>7,968</u>	<u>123</u>	<u>(23,188)</u>
Income (Loss) Before Transfers and Special Items	<u>(116,470)</u>	<u>(22,368)</u>	<u>(33,505)</u>	<u>(172,343)</u>
Capital Contributions - Developers	384,573	268,595	-	653,168
Impact and Connection Fees	387,360	56,200	9,000	452,560
Transfers In	7,777,620	6,140,366	-	13,917,986
Transfers Out	<u>-</u>	<u>(42,915)</u>	<u>(13,875,071)</u>	<u>(13,917,986)</u>
Change in Net Position	8,433,083	6,399,878	(13,899,576)	933,385
Net Position - Beginning	-	-	13,899,576	13,899,576
Total Net Position - Ending	<u>\$ 8,433,083</u>	<u>\$ 6,399,878</u>	<u>\$ -</u>	<u>\$ 14,832,961</u>

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR

Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Non-Major Proprietary Funds</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from customers	\$ 664,530	\$ 764,070	\$ 657	\$ 1,429,257
Operating Transfer	42,915	-	-	42,915
Payments (to) from others	47,280	(47,280)	-	-
Payments to suppliers	(125,279)	(535,058)	(8,724)	(669,061)
Payments to employees	(124,429)	(39,984)	(25,561)	(189,974)
Taxes paid	(6,636)	(2,112)	-	(8,748)
	<u>498,381</u>	<u>139,636</u>	<u>(33,505)</u>	<u>604,512</u>
Net cash provided (used) by operating activities				
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of plant assets	(891,124)	(57,457)	-	(948,581)
Proceeds from long-term debt	1,180,000	-	-	1,180,000
Impact fees and special assessments collected	454,413	84,877	9,000	548,290
Principal payments on long-term debt	(1,269,299)	(15,820)	-	(1,285,119)
Interest paid	(150,484)	(234)	-	(150,718)
	<u>(676,494)</u>	<u>11,366</u>	<u>9,000</u>	<u>(656,128)</u>
Net cash provided (used) by capital and related financing activities				
Cash Flows from Non Capital and Related Financing Activities:				
Transfers	1,428,526	1,561,721	(2,990,247)	-
	<u>1,428,526</u>	<u>1,561,721</u>	<u>(2,990,247)</u>	<u>-</u>
Net cash provided (used) by noncapital and related financing activities				
Cash Flows from Investing Activities:				
Interest Income	13,599	6,582	-	20,181
	<u>13,599</u>	<u>6,582</u>	<u>-</u>	<u>20,181</u>
Net cash provided (used) by investing activities				
Net increase (decrease) in cash and equivalents	1,264,012	1,719,305	(3,014,752)	(31,435)
Cash and Equivalents, Beginning of year	<u>-</u>	<u>-</u>	<u>3,014,752</u>	<u>3,014,752</u>
Cash and Equivalents, End of year	<u>\$ 1,264,012</u>	<u>\$ 1,719,305</u>	<u>\$ -</u>	<u>\$ 2,983,317</u>
Reconciliation to Balance Sheet				
Cash and cash equivalents	\$ 146,544	\$ 1,719,305	\$ -	\$ 1,865,849
Restricted Cash	1,117,468	-	-	1,117,468
Total	<u>\$ 1,264,012</u>	<u>\$ 1,719,305</u>	<u>\$ -</u>	<u>\$ 2,983,317</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating Income (loss)	\$ (85,191)	\$ (30,336)	\$ (33,628)	\$ (149,155)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating transfer	42,915	-	-	42,915
Miscellaneous non-operating revenues (expenses)	58,762	1,620	123	60,505
Depreciation	244,650	119,550	-	364,200
Pension expenses	3,521	6,066	-	9,587
Changes in Assets and Liabilities:				
Customer accounts receivable	49,647	94,215	-	143,862
Due from/to other funds	47,280	(47,280)	-	-
Other assets	-	(33)	-	(33)
Deferred Inflows	-	738	-	738
Accounts payable	136,797	(4,904)	-	131,893
	<u>498,381</u>	<u>139,636</u>	<u>(33,505)</u>	<u>604,512</u>
Net cash provided (used) by operating activities				
Noncash Capital and Related Financing				
Capital Contributions - Plant financed by Developers	<u>\$ 317,520</u>	<u>\$ 239,918</u>	<u>\$ -</u>	<u>\$ 557,438</u>

VILLAGE OF WINDSOR

**Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017**

	Community Center	Half-Century Club	Tax Agency	Total Fiduciary Funds
ASSETS				
Cash and Cash Equivalents	\$ 584,720	\$ 35,849	\$ 7,404,688	\$ 8,025,257
Receivables:				
Taxes Receivable	-	-	4,310,959	4,310,959
Due from Other Funds	-	251	-	251
Total Assets	\$ 584,720	\$ 36,100	\$ 11,715,647	\$ 12,336,467
LIABILITIES				
Due to Other Funds	\$ 20,726	\$ -	\$ -	\$ 20,726
Due to Other Organizations	563,994	36,100	-	600,094
Due to Other Governments	-	-	11,715,647	11,715,647
Total Liabilities	\$ 584,720	\$ 36,100	\$ 11,715,647	\$ 12,336,467

See accompanying notes to the basic financial statements

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

This report includes all of the funds of the Village of Windsor. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain the Madison Metropolitan Sewer District, Windsor Lake District, and Oak Springs Lake District which the Town does not consider component units. See Note 8 regarding intergovernmental agreements.

Incorporation

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

Component Units

Community Development Authority

The financial statements include the Village's Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the Village board. The CDA meets the criteria of a component unit of the Village. As a component unit, the Authority's financial statements have been presented as a blended entity in the basic financial statements. It was blended since the Village issued debt to purchase land for the benefit on the CDA. The information presented is for the fiscal year ended December 31, 2017.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

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

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

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund equity, revenues, and expenditure/expenses.

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

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

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

Governmental Funds

The Village reports the following major governmental funds:

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

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

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

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

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

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

Community Development Authority Fund (“CDA”) – accounts for the CDA’s primary operating activities.

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

Proprietary Funds

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

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

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

Water Utility District #1 – accounts for the operation of the water system. (Non-Major Fund)

Sewer Utility District #1 – accounts for the operation of the sewer system. (Non-Major Fund)

Water Utility District #2 – account for the operation of the water system. (Non-Major Fund)

Sewer Utility District #2 – account for the operation of the sewer system. (Non-Major Fund)

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

Proprietary Funds (Continued)

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

Fiduciary Funds

Agency Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village has the following agency funds: Community Center, Half Century Club and the Tax Agency Fund.

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

Fund Financial Statements (Continued)

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

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

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

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

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

Use of Estimates

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

1) Cash and Cash Equivalents/Investments

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

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

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

See Footnote 2 for additional information.

2) Taxes Receivable

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

Property tax calendar – 2017 tax roll

Lien date and levy date	December, 2017
Tax Bills mailed	December, 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale – 2017 delinquent real estate taxes	October, 2020

3) Allowance for Uncollectible Accounts

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

4) Special Assessments

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

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

5) Inventories and Prepaid Items

Inventories

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

Prepaid

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

6) Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as tangible and intangible assets that have useful lives that extend beyond a single reporting period. Capitalization thresholds for capitalizing individual fixed assets and groups of fixed assets are \$1,000 for non-fixed equipment and depreciable land improvements and \$5,000 for infrastructure assets and building and improvements. Land and non-depreciable land improvements are all recorded.

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

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

6) Capital Assets (Continued)

General Fixed Assets

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

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

Proprietary Fund Fixed Assets

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

Normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining lives of the related assets. Net interest costs incurred for long-term debt issued for construction purposes is capitalized during the period of construction. Net interest cost consists of interest expense on long-term debt proceeds. No interest was capitalized in 2017.

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

7) Pensions

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

8) Debt Issuance Costs / Discounts

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

9) Compensated Absences

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

10) Deferred Outflows and Inflows of Resources

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

11) Long-Term Obligations

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

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

12) Equity Classifications

Government-Wide Statements

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

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

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

12) Equity Classifications (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance.

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

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

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

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

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

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

It is the Village's goal to maintain a general fund unassigned fund balance at a range of not less than 25% to 30% of the current operating budget. The Village's long-term goal is to maintain an unassigned general fund balance that would alleviate the need to borrow short-term for operation cash flow needs.

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

13) Land Held for Resale

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

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

14) Claims and Judgments

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

E. Utility Rates – Proprietary Funds

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

F. Income Taxes

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

G. Budgetary Information

Budgets

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

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

The General Fund includes special revenue funds that do not meet the criteria of an individual fund under GASB 54. The budgetary comparison schedule on page 47 does not include these special revenue funds. A reconciliation is provided to reconcile to the Statement of Revenues, Expenditures and Changes in Fund balance on page 5.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies (Continued)

H. Inter-fund Transactions

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

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

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

I. Limitations on the Town Tax Levy

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

2. Cash and Cash Equivalents/Investments

As previously discussed, cash for all Village funds are pooled for investment purposes. At December 31, 2017, the cash and investments consist of the following:

<u>Village Deposits</u>		<u>Risks</u>
Petty Cash/Cash on Hand	\$ 165	
Money Market Fund	768,566	Custodial Credit
Deposits with Financial Institutions	11,378,593	Custodial Credit
Wisconsin Local Government Investment Pool	2,021,868	Credit/Interest Rate
Debt Securities	465,992	Credit/Interest Rate
Certificates of Deposit	1,476,098	Custodial Credit/Interest Rate
Total Cash and Investments	<u>\$ 16,111,282</u>	

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Government-Wide Statement of Net Position	
Cash and Equivalents	\$ 6,414,547
Restricted Cash and Equivalents	1,671,478
Fiduciary Statement of Net Position	
Cash and Equivalents	<u>8,025,257</u>
	<u>\$ 16,111,282</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

2. Cash and Cash Equivalents/Investments (Continued)

Investments Authorized by Wisconsin Statutes

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

- (1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State;
- (2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
- (3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, district or school district of this State;
- (4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
- (5) Bonds or securities issued under the authority of the municipality;
- (6) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
- (7) Agreements in which a public depository agrees to repay funds advanced to it by the Town plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
- (8) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- (9) Repurchase agreements with public depositories, with certain conditions.
- (10) Bonds issued by the University of Wisconsin Hospital and Clinics Authority, and the Wisconsin Aerospace Authority.

Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6 Months to 1 Year</u>	<u>1 Year to 5 Years</u>	<u>More Than 5 Years</u>
Local Government Investment Pool	\$ 2,021,868	\$ 2,021,868	\$ -	\$ -	\$ -
Debt Securities	465,992	-	104,490	361,502	-
Certificates of Deposit	1,476,098	667,932	129,007	679,160	-
Total	<u>\$ 3,963,958</u>	<u>\$ 2,689,800</u>	<u>\$ 233,497</u>	<u>\$ 1,040,661</u>	<u>\$ -</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

2. Cash and Cash Equivalents/Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's formal investment policy limits this risk by limiting investments to the type of securities permitted by state statutes. All of the Village's investments are in CDs and Local Government Investment Pool, an external pool which is not rated.

Custodial Credit Risk

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Village.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

2. Cash and Cash Equivalents/Investments (Continued)

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

Investment allocation in the LGIP as of December 31, 2017 was: 89.97% in U.S. Government Securities, 1.52% in Certificates of Deposit and Bankers' Acceptances and 8.51% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

As of December 31, 2017, \$336,028 of the Village's deposits with financial institutions were in excess of federal and state depository insurance limits. Deposits were exposed to custodial credit risk as follows:

Insured by Federal and State Deposit Insurance	\$ 12,081,374
Uninsured and Uncollateralized	336,028
	\$ 12,417,402

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

Concentration of Credit Risk

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

Restricted Cash

The following schedule details the restricted cash at December 31, 2017:

	Impact Fee	Windsor Water Utility	Windsor Sewer Utility
Impacted Fees	\$ 554,010	522,170	\$ -
Unspent Bond Proceeds	-	527,187	-
Water Replacement Fund	-	68,111	-
	\$ 554,010	\$ 1,117,468	\$ -

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

3. Fair Value Measurement

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

The Village uses the following hierarchical disclosure framework:

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

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

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

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

	Assets at Fair Value as of December 31, 2017			
	Fair Value	Level 1	Level 2	Level 3
Debt Securities	\$ 465,992	\$ 465,992	\$ -	\$ -
	\$ 465,992	\$ 465,992	\$ -	\$ -

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

4. Capital Assets

Capital asset activity in the governmental activities for the year ended December 31, 2017 was as follows:

	<u>Balance 1/1/17</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/17</u>
Governmental Activities				
Non-depreciable Capital Assets:				
Land	\$ 4,357,680	\$ 15,088	\$ -	\$ 4,372,768
Conservation Easements	1,268,267	-	-	1,268,267
Construction in Progress	-	17,653	-	17,653
Total Non-depreciable Capital Assets	<u>5,625,947</u>	<u>32,741</u>	<u>-</u>	<u>5,658,688</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	2,930,622	834,231	-	3,764,853
Equipment	1,325,824	302,181	-	1,628,005
Infrastructure	20,708,831	1,110,251	79,386	21,739,696
Total Capital Assets Being Depreciated	<u>24,965,277</u>	<u>2,246,663</u>	<u>79,386</u>	<u>27,132,554</u>
Total Capital Assets	<u>\$ 30,591,224</u>	<u>\$ 2,279,404</u>	<u>\$ 79,386</u>	<u>\$ 32,791,242</u>
Less: Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,422,233	\$ 120,727	\$ -	\$ 1,542,960
Equipment	610,485	141,377	-	751,862
Infrastructure	10,451,722	708,148	79,386	11,080,484
Total Accumulated Depreciation	<u>12,484,440</u>	<u>970,252</u>	<u>79,386</u>	<u>13,375,306</u>
Capital Assets Net of Depreciation	<u>\$ 18,106,784</u>	<u>\$ 1,309,152</u>	<u>\$ -</u>	<u>\$ 19,415,936</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 55,708
Public Safety	1,728
Public Works	781,324
Conservation and Development	5,017
Culture, Recreation and Education	126,475
Total Governmental Activities Depreciation Expense	<u>\$ 970,252</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

4. Capital Assets (Continued)

Capital assets activity in the business-type activities for the year ended December 31, 2017 was as follows:

	<u>Balance</u> <u>1/1/17</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/17</u>
Business-Type Activities				
<u>Water Utility</u>				
Non-depreciable Capital Assets:				
Land	\$ 127,420	\$ -	\$ -	\$ 127,420
Construction Work in Progress	15,617	876,684	-	892,301
Total Non-depreciable Capital Assets	<u>143,037</u>	<u>876,684</u>	<u>-</u>	<u>1,019,721</u>
Capital Assets Being Depreciated:				
Source of Supply	571,827	-	-	571,827
Pumping Equipment	918,365	-	-	918,365
Water Treatment	8,155	-	-	8,155
Transmission and Distribution	9,577,671	348,353	6,480	9,919,544
Administrative and General Assets	116,728	12,387	-	129,115
Total Capital Assets Being Depreciated	<u>11,192,746</u>	<u>360,740</u>	<u>6,480</u>	<u>11,547,006</u>
Total Capital Assets	<u>11,335,783</u>	<u>1,237,424</u>	<u>6,480</u>	<u>12,566,727</u>
Less: Accumulated Depreciation	<u>(2,038,036)</u>	<u>(244,650)</u>	<u>(6,480)</u>	<u>(2,276,206)</u>
Capital Assets Net of Depreciation	<u>\$ 9,297,747</u>	<u>\$ 992,774</u>	<u>\$ -</u>	<u>\$ 10,290,521</u>

	<u>Balance</u> <u>1/1/17</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/17</u>
Business-Type Activities				
<u>Sewer Utility</u>				
Non-depreciable Capital Assets:				
Land	\$ 53,025	\$ -	\$ -	\$ 53,025
Total Non-depreciable Capital Assets	<u>53,025</u>	<u>-</u>	<u>-</u>	<u>53,025</u>
Capital Assets Being Depreciated:				
Collection	6,275,739	239,919	-	6,515,658
Pumping Equipment	224,019	-	-	224,019
Administrative and General Assets	64,896	14,541	-	79,437
Total Capital Assets Being Depreciated	<u>6,564,654</u>	<u>254,460</u>	<u>-</u>	<u>6,819,114</u>
Total Capital Assets	<u>6,617,679</u>	<u>254,460</u>	<u>-</u>	<u>6,872,139</u>
Less: Accumulated Depreciation	<u>(2,027,156)</u>	<u>(119,550)</u>	<u>-</u>	<u>(2,146,706)</u>
Capital Assets Net of Depreciation	<u>\$ 4,590,523</u>	<u>\$ 134,910</u>	<u>\$ -</u>	<u>\$ 4,725,433</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

4. Capital Assets (Continued)

The January 1, 2017 balances reflected in the tables on the previous page represent the beginning balances previously reported as Water Utility #1 and Water Utility #2 combined into the new Windsor Water Utility and Sewer Utility #1 and Sewer Utility #2 combined into the new Windsor Sewer Utility.

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Water Utility	\$ 238,613
Sewer Utility	125,587
Total	\$ 364,200

5. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Balance 1/1/17	Increases	Decreases	Balance 12/31/17
Governmental Activities				
Bonds, Notes and Other Payables:				
General Obligation Debt	\$ 12,010,000	\$ 550,000	\$ 1,410,000	\$ 11,150,000
Capital Lease Obligations	151,977	-	59,819	92,158
Add/(Subtract) Deferred Amounts For:				
(Discounts)/Premiums	48,917	-	7,420	41,497
Sub-Total	12,210,894	550,000	1,477,239	11,283,655
Other Liabilities:				
Compensated Absences	19,690	17,577	-	37,267
Total Other Liabilities	19,690	17,577	-	37,267
Total Governmental Activities Long-Term Liabilities	\$ 12,230,584	\$ 567,577	\$ 1,477,239	\$ 11,320,922
	Balance 1/1/17	Increases	Decreases	Balance 12/31/17
Business-Type Activities				
General Obligation Debt	\$ 2,448,445	\$ 1,180,000	\$ 1,248,445	\$ 2,380,000
Revenue Bonds	498,387	-	41,674	456,713
Add/(Subtract) Deferred Amounts For:				
(Discounts)/Premiums	67,068	-	5,158	61,910
Total Business-Type Activities Long-Term Liabilities	\$ 3,013,900	\$ 1,180,000	\$ 1,295,277	\$ 2,898,623

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

5. Long-Term Obligations (Continued)

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

General Obligation Debt

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

Cities, Villages, and Townships are statutorily limited to using 5% of their equalized value to borrow general obligation debt. According to these state statutes, the Village of Windsor is limited to borrowing \$40,263,620. General obligation debt subject to this limit is \$13,530,000 leaving the Village with an available debt margin of \$26,733,620 as of December 31, 2017.

General obligation long-term debt issues outstanding at December 31, 2017 and total debt outstanding were as follows:

<u>Original Amount</u>	<u>Date of Issue</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>	<u>Amount Due Within One Year</u>
Governmental Activities					
\$ 5,905,000	12/27/2010	2020	1.5-4.25%	\$ 4,505,000	\$ 500,000
2,075,000	10/11/2012	2019	.40 - 1.25%	425,000	225,000
2,160,000	2/16/2015	2025	0.5-2.3%	1,800,000	300,000
500,000	3/31/2015	2025	2.47%	400,000	50,000
3,000,000	10/7/2015	2035	3.89%	3,000,000	-
690,000	6/21/2016	2026	2.00-2.75%	470,000	220,000
550,000	2/2/2017	2027	2.65%	550,000	55,000
Total Governmental Activities -- General Obligation Debt				\$ 11,150,000	\$ 1,350,000

<u>Original Amount</u>	<u>Date of Issue</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>	<u>Amount Due Within One Year</u>
Business-Type Activities					
Water Utility					
1,280,000	6/21/2016	2029	2.00-3.00%	\$ 1,200,000	\$ 85,000
1,180,000	7/12/2017	2035	1.20-3.25%	1,180,000	55,000
Total Business-Type Activities -- General Obligation Debt				\$ 2,380,000	\$ 140,000

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

5. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

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

Governmental Activities General Obligation Debt			
Year	Principal	Interest	Total
2018	\$ 1,350,000	\$ 367,059	\$ 1,717,059
2019	1,220,000	336,814	1,556,814
2020	3,965,000	306,670	4,271,670
2021	485,000	148,410	633,410
2022	485,000	138,128	623,128
2023-2027	1,720,000	532,403	2,252,403
2028-2032	1,100,000	303,719	1,403,719
2033-2035	825,000	67,031	892,031
Total	<u>\$ 11,150,000</u>	<u>\$ 2,200,234</u>	<u>\$ 13,350,234</u>

Business-Type Activities General Obligation Debt			
Year	Principal	Interest	Total
2018	\$ 140,000	\$ 59,085	\$ 199,085
2019	150,000	53,005	203,005
2020	155,000	50,123	205,123
2021	160,000	46,841	206,841
2022	160,000	43,443	203,443
2023-2027	865,000	156,703	1,021,703
2028-2032	535,000	60,783	595,783
2033-2035	215,000	10,556	225,556
Total	<u>\$ 2,380,000</u>	<u>\$ 480,537</u>	<u>\$ 402,090</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

5. Long-Term Obligations (Continued)

Current Refunding

During 2017, the Village issued \$1,180,000 in general obligation bonds. These bonds were used to refund outstanding portions of various State Trust Fund Loans issued by the Water Utility #1 prior to incorporation. The bonds were used to current refund \$1,128,849 in outstanding principal and interest as of the date of the refunding. The net present value of savings was approximately \$55,000.

Capital Lease

Equipment capitalized with leases \$ 299,927

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2017:

Year Ended December 31,		
2018	\$	63,827
2019		<u>31,915</u>
Total Minimum Lease Payments		<u>95,742</u>
Less: Amount representing interest		<u>(3,584)</u>
Present Value of net minimum lease payments	\$	<u>92,158</u>

Future minimum payments are as follows:

Capital Lease Obligations	Outstanding Principal	Amount Due Within One Year
\$ 148,840 9/5/2013 2018 2.30%	\$ 30,921	\$ 30,921
\$ 151,087 6/15/2015 2019 2.81%	<u>61,237</u>	<u>30,194</u>
Total Capital Lease Obligations	<u>\$ 92,158</u>	<u>\$ 61,115</u>

Revenue Debt

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

Original Amount	Date of Issue	Year of Maturity	Interest Rate	Outstanding Principal	Amount Due Within One Year
Business-Type Activities					
Water Utility					
\$ 500,000	6/12/2013	2033	1.155%	\$ 456,713	\$ 26,152
Total Business-Type Activities -- Revenue Debt				<u>\$ 456,713</u>	<u>\$ 26,152</u>

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

5. Long-Term Obligations (Continued)

Revenue Debt (Continued)

Debt service requirements to maturity are as follows:

Year	Business-Type Activities Revenue Debt		
	Principal	Interest	Total
2018	\$ 26,152	\$ 5,124	\$ 31,276
2019	26,454	4,820	31,275
2020	26,760	4,513	31,273
2021	27,069	4,202	31,271
2022	27,382	3,888	31,269
2023-2027	141,726	14,593	156,318
2028-2032	150,102	6,168	156,270
2033-2035	31,069	179	31,248
Total	\$ 456,713	\$ 43,487	\$ 500,200

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

The following is the bond reserves of the Water Fund and the calculations of the coverage as of December 31, 2017:

	Windsor Water Utility
<u>Bond Reserves</u>	
Replacement Account	\$ 68,111
Total	\$ 68,111
<u>Coverage Covenant Calculation</u>	
Gross Revenue	\$ 615,411
Other Revenues	13,599
Operation and Maintenance Expenses - (Excluding Depreciation)	(495,000)
Net Revenues	\$ 134,010
Maximum annual debt service	\$ 31,276
Percent Coverage	428%
Percent Coverage Required	110%

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

6. Interfund Transactions

The following interfund payables and receivables were outstanding as of December 31, 2017.

Receivable Fund	Payable Fund	Amount	Purpose
General	Developer Chargeback Fund	\$ 28,338	Cash shortfall
General	Community Center (Agency)	20,476	Operations
General	TIF District #1	297,208	Cash shortfall
Sub-Total - Fund Financial Statements		346,022	
Less: Fund Eliminations		(325,546)	
Total - Government-Wide Statement of Net Position		<u>\$ 20,476</u>	

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

The following are interfund transfers that occurred:

Receivable Fund	Payable Fund	Amount	Purpose
Capital Projects Reserve	General Fund	\$ 250,000	Operations
CDA	General Fund	48,235	Operations
Sub-Total - Governmental Fund Financial Statements		298,235	
Windsor Water Utility	Water Utility UD #1	6,957,969	Close Fund
Windsor Sewer Utility	Sewer Utility UD #1	5,199,933	Close Fund
Windsor Water Utility	Water Utility UD #2	776,736	Close Fund
Windsor Sewer Utility	Sewer Utility UD #2	940,433	Close Fund
Windsor Water Utility	Windsor Sewer Utility	42,915	Reimbursement
Sub-Total - Proprietary Fund Financial Statements		13,917,986	
Less: Fund Eliminations		(14,216,221)	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

7. Lease of Village Hall

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

The lease term is for twenty-one years commencing January 1, 2004 and ending midnight of the 31st day of December, 2024. Effective January 1, 2005, the lease calls for the Sheriff's Department to pay \$12,700 a quarter, on the first day of January, April, July, and October through 2024. The Town received \$50,800 in lease payments in 2017.

8. Defined Benefit Pension Plan

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

8. Defined Benefit Pension Plan (Continued)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

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

During the reporting period, the WRS recognized \$54,766 in contributions from the Village.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

8. Defined Benefit Pension Plan (Continued)

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

At December 31, 2017 the Village reported a liability of \$48,580 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.00589392%, which was an increase of 0.00034066% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the Village recognized pension expense of \$122,016.

At December 31, 2016, 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	\$ 18,524	\$ (152,780)
Changes of assumptions	50,792	-
Net difference between projected and actual earnings on pension plan investments	241,816	-
Changes in proportion and difference between District contributions and proportionate share of contributions	137	(11,274)
District contributions subsequent to the measurement date	61,577	-
Total	\$ 372,846	\$ (164,054)

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

8. Defined Benefit Pension Plan (Continued)

\$61,577 reported as deferred outflows related to pension resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. 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 June 30:	Net Deferred Outflows (Inflows) of Resources
2018	\$ 61,434
2019	61,434
2020	41,254
2021	(16,876)
2022	(27)

Actuarial assumptions. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Starting with 2015, this item includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

8. Defined Benefit Pension Plan (Continued)

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

Asset Allocation Targets and Expected Returns				
As of December 31, 2016				
Core Fund Asset Class	Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50 %	45 %	8.3 %	5.4 %
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
Variable Fund Asset Class				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%				
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations				

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

8. Defined Benefit Pension Plan (Continued)

Sensitivity of the Village's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 639,101	\$ 48,580	\$ (406,148)

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>.

Allocation of Pension Plan Disclosures

Pension amounts are allocated between governmental, proprietary and agency type funds based on the percentage of required contributions or retirement expenses accounted for in each fund type. Allocations for the DeForest Area Community Center, reported as an agency fund, are included in this footnote but are reported in a separately issued financial statement report.

9. Inter-municipal Agreements

Fire Protection

The Village of Windsor, along with the Village of DeForest and the Townships of Vienna, Leeds, and Hampden entered into an agreement to create the DeForest Fire Protection District. This agreement was executed on April 15, 1993 and amended in 1997.

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

The Village's equity interest of \$537,280 is recorded in the government-wide Statement of Position. Changes in the equity interest are reported on the Statement of Activities.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

9. Inter-municipal Agreements (Continued)

Fire Protection (Continued)

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

	<u>2017</u>	<u>2016</u>
Village of Windsor	38.3%	38.3%
Village of DeForest	50.8%	50.3%
Town of Vienna	8.8%	9.1%
Town of Leeds	1.8%	2.0%
Town of Hampden	0.3%	0.3%
	<u>100.0%</u>	<u>100.0%</u>

The Village's share of fire district costs in 2017 amounted to \$341,109, excluding fire insurance dues of \$29,3548. The latest budget figures indicate the Village's portion of the 2018 budget to be \$347,931. The Fire District issues separate financial statements.

EMS District

The Village, together with the Village of DeForest and the Townships of Vienna, Leeds, and Hampden entered into an agreement to create the DeForest Emergency Medical Service District on January 1, 1991.

The agreement specifies that emergency medical services will be available to the participating municipalities. Each municipality appoints the Village Chairperson or Village President to the EMS District board. Costs are to be shared based on the equalized values of the respective municipalities.

The Village's share of the EMS District costs in 2017 is included in the Village's payment to the Fire District.

Community Center

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

9. Inter-municipal Agreements (Continued)

Community Center (Continued)

The communities share in the operation of the center based upon the proportionate share of a community's population located in the center's service area to the total population of the area served. For 2017, the communities shared in the operations of the center, approximately as follows:

	<u>2017</u>
Village of Windsor	42.0%
Village of DeForest	55.0%
Town of Vienna	<u>3.0%</u>
Total	<u>100.0%</u>

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

The purpose of the commission is to provide oversight over the operations of the DeForest Area Community and Senior Center and the programs and services for the senior citizens of the participating municipalities. The agreement between the villages and the townships is a continuing agreement and automatically renews from year to year. The commission has the authority to adopt its own budget and control the financial affairs of the Center. However, either the Windsor Village Board or the DeForest Village Board have the authority to veto the commission's budget. The Village made a payment totaling \$244,437 to the Center in 2017. The latest budget figures indicate the Village's portion of the 2018 Community Center budget is \$241,757. The Village believes that the Center will continue to provide services in the future at similar rates. Financial information of the center as of December 31, 2017 is available at the Village of Windsor village hall and at the Center's office.

The Village has an equity interest in the Center equal to its percentage share of participation. The equity interest relative to financial assets is reported in the governmental activities column of the government wide Statement of Net Position. Changes in the equity interest are reported on the Statement of Activities. At December 31, 2017 the equity interest was \$922,425.

During 2017, The Half Century Club paid the Village the remaining balance for funds the Village borrowed on behalf of the Half Century Club expansion.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

10. Fund Balance

The following restrictions and assignments of fund balance were made:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
<u>General Fund</u>						
Cash Management	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000
Prepaid Expenses	455	-	-	-	-	455
Advances Receivable	297,208	-	-	-	-	297,208
Emergency Management	-	-	-	100,000	-	100,000
Parks	-	605,344	-	25,741	-	631,085
Token Creek Conservancy	-	-	21,713	-	-	21,713
Unassigned	-	-	-	-	587,503	587,503
Total General Fund	<u>\$ 297,663</u>	<u>\$ 605,344</u>	<u>\$ 21,713</u>	<u>\$ 125,741</u>	<u>\$ 767,503</u>	<u>\$ 1,817,964</u>
<u>Debt Service Fund</u>						
Debt Service	\$ -	\$ -	\$ -	\$ 1,925,156	\$ -	\$ 1,925,156
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,925,156</u>	<u>\$ -</u>	<u>\$ 1,925,156</u>
<u>TIF District #1</u>						
TIF Fund	\$ -	\$ -	\$ -	\$ -	\$ (404,381)	\$ (404,381)
Total TIF District #1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (404,381)</u>	<u>\$ (404,381)</u>
<u>Capital Projects Fund</u>						
Capital Projects Fund	\$ -	\$ 515,756	\$ -	\$ -	\$ -	\$ 515,756
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 515,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,756</u>
<u>Non-Major Funds</u>						
Community Development Authority	\$ -	\$ 310,106	\$ -	\$ -	\$ -	\$ 310,106
Developer Charge-Back	-	13,291	-	-	-	13,291
Purchase of Development Rights Fund	-	12,623	-	-	-	12,623
Capital Projects Reserve/Replacement	-	-	-	227,436	-	227,436
Impact Fee Fund	-	554,010	-	-	-	554,010
Total	<u>\$ -</u>	<u>\$ 890,030</u>	<u>\$ -</u>	<u>\$ 227,436</u>	<u>\$ -</u>	<u>\$ 1,117,466</u>
Total	<u>\$ 297,663</u>	<u>\$ 2,011,130</u>	<u>\$ 21,713</u>	<u>\$ 2,278,333</u>	<u>\$ 363,122</u>	<u>\$ 4,971,961</u>

Deficit Fund Balance

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

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

11. Net Position

Net position reported on the government-wide Statement of Net Position at December 31, 2017 includes the following:

Governmental Activities	
Net Investment in Capital Assets	
Capital assets, net	\$ 19,415,936
Less: Current portion of long-term debt	(1,411,115)
Less: Long-term debt outstanding	(9,872,541)
Plus: Unspent bond proceeds	436,742
Plus: Debt not related to capital assets	5,435,000
Total Net Investment in Capital Assets	14,004,022
Restricted Net Position	
Special Revenues	811,965
Capital Projects	633,024
CDA Debt Service	310,106
Total Restricted Net Position	1,755,095
Unrestricted Net Position	2,282,364
Total Net Position	\$ 18,041,481

Business-Type Activities	Water	Sewer	
Net Investment in Capital Assets	Utility	Utility	Total
Capital Assets, net	\$ 10,290,521	\$ 4,725,433	\$ 15,015,954
Less: related long-term debt outstanding	(2,898,623)	-	(2,898,623)
Unspent Bond Proceeds	527,187	-	527,187
Net Investment in Capital Assets	7,919,085	4,725,433	12,644,518
Restricted Net Position			
Replacement Funds	68,111	-	68,111
Impact Fees	522,170	-	522,170
Total Restricted Net Position	590,281	-	590,281
Unrestricted Net Position	(76,283)	1,674,445	1,598,162
Total Net Position	\$ 8,433,083	\$ 6,399,878	\$ 14,832,961

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

12. Risk Management

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

13. Subsequent Events and Commitments

Subsequent Debt

In August 2018, the Village approved a resolution awarding the sale of \$5,975,000 in general obligation bonds. These bonds carry an interest rate ranging from 3.0% to 3.375% with final maturity on September 1, 2038. The bonds are being issued to cover the purchase of fire/EMS equipment, public works equipment, recycling facility and public works building improvements, park improvements, TIF projects and professional fees. Closing is scheduled for September 5, 2018.

In August 2018, the Village approved a resolution awarding the sale of \$2,240,000 in general obligation refunding notes. These notes carry an interest rate ranging from 2.60% to 3.00% with final maturity on September 1, 2023. The notes are being issued to current refund the 2010 general obligation notes that were schedule to mature in 2020. The Village is using additional cash on hand to refund these bonds. Closing is scheduled for September 5, 2018.

Purchases of Land

Subsequent to yearend, the Village purchased property for potential future Village use for \$113,580.

Subsequent to yearend, the Village approved a resolution to purchase property for potential future Village use for \$189,900. The Village expects to close on this property in September 2018.

Developer Commitments and Incentives

In December 2017, the Village approved a developer incentive grant totaling \$250,000 contingent upon the developer closing on the property. The developer closed on the property in 2018 and a payment of \$250,000 was issued in February 2018.

The Village has an additional developer incentive obligation that is a pay-as-you-go agreement where the Village has agreed to pay a developer up to \$500,000 contingent upon the developer meeting several conditions. Once these conditions are met, the Village will make annual payments equal to 60% of the project increment revenue generated in the TIF district. As of December 31, 2017, the conditions for payment had not been met and no liability has been reflected in the financial statements. The Village anticipates the first payment to be made in 2019.

Construction Commitments

During 2017, the Village began a project in the Water Utility for a new booster pumping station. The total contract was approximately \$800,000. As of December 31, 2017, the outstanding contract commitment expected to be finished in 2018 was \$255,000.

VILLAGE OF WINDSOR
Notes to Financial Statements
December 31, 2017

13. Subsequent Events and Commitments (Continued)

Projects and Improvements

In 2018, the Village has approved the following projects and improvements:

- Bear Tree Park Improvements \$2,641,385
- Roadway, storm system and watermain improvements engineering services \$83,500
- Road and Bridge Construction
 - Portage Road \$246,000
 - Egre Road \$280,000, with anticipated reimbursement of LRIP funds of \$24,278
 - Yahara River Bridge costing approximately \$1,050,000 with federal and state grants funds of \$687,000 expected through the state bridge program.
- Architectural design services for public works building \$40,500
- Seal coating maintenance services \$44,291
- Morrisonville utility improvements \$53,000

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WINDSOR

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances) - General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	1,802,716	1,802,716	\$ 1,802,719	\$ 3
Other Taxes	62,804	62,804	81,982	19,178
Intergovernmental	304,062	304,062	320,707	16,645
License and Permits	223,485	223,485	326,959	103,474
Fines, Forfeits and Penalties	13,000	13,000	13,247	247
Public Charges for Services	424,258	424,258	509,838	85,580
Interest Income	17,800	17,800	19,335	1,535
Miscellaneous Income	84,000	84,000	55,672	(28,328)
Total Revenues	<u>2,932,125</u>	<u>2,932,125</u>	<u>3,130,459</u>	<u>198,334</u>
EXPENDITURES				
Current:				
General Government	817,536	817,536	806,580	10,956
Public Safety	780,880	780,880	760,998	19,882
Public Works	957,212	957,212	912,748	44,464
Culture, Recreation and Education	258,497	258,497	538,486	(279,989)
Conservation and Development	70,000	70,000	76,503	(6,503)
Total Expenditures	<u>2,884,125</u>	<u>2,884,125</u>	<u>3,095,315</u>	<u>(211,190)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>48,000</u>	<u>48,000</u>	<u>35,144</u>	<u>(12,856)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(48,000)	(48,000)	(298,235)	(250,235)
Total Other Financing Sources and Uses	<u>(48,000)</u>	<u>(48,000)</u>	<u>(298,235)</u>	<u>(250,235)</u>
Net Change in Fund Balances	-	-	(263,091)	(263,091)
Fund Balances - Beginning	<u>2,002,281</u>	<u>2,002,281</u>	<u>2,002,281</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,002,281</u>	<u>\$ 2,002,281</u>	<u>\$ 1,739,190</u>	<u>\$ (263,091)</u>
Reconciliation of Fund Balance:				
Budgetary Fund Balance			\$ 1,739,190	
Perspective Differences:				
Revenues not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance		120,168		
Expenditures not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance		(168,276)		
Beginning fund balance of funds not included in budgetary basis, but included in Statement of Revenues, Expenditures, and Changes in Fund Balance		<u>126,882</u>		
			<u>78,774</u>	
Fund Balance per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 1,817,964</u>	

See accompanying notes to the required supplementary information

**VILLAGE OF WINDSOR
WISCONSIN RETIREMENT SYSTEM
December 31, 2017**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date
Last 10 Fiscal Years**

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2016	0.00589392%	\$ 48,580	\$ 829,789	5.85%	99.12%
2015	0.00555326%	90,239	809,490	11.15%	98.20%
2014	0.00549710%	(135,024)	780,090	(17.31%)	102.74%

**Schedule of Village's Contributions
For the Year Ended
Last 10 Fiscal Years**

Year ended December 30,	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
2017	\$ 61,577	\$ (61,577)	\$ -	\$ 905,549	6.80%
2016	55,045	(55,045)	-	809,489	6.80%
2015	27,251	(27,251)	-	413,747	6.59%

See accompany notes to the required supplementary information

VILLAGE OF WINDSOR
Notes to Required Supplementary Information
December 31, 2017

1. Budgetary Comparison Schedule

A. Basis of Accounting

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

B. Excess Expenditures over Appropriations

The Village controls expenditures at the department level. Some individual line items experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. The following expenditure functions had an excess of actual expenditures over budget for the year ended December 31, 2017:

	<u>Excess Expenditures</u>
Culture, Recreation and Education	279,989
Conservation and Development	6,503

Revenues and other financing sources were sufficient to cover the excess expenditures.

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 8 preceding years.

Changes of benefit terms

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

Changes of assumptions

Rates used in mortality tables were updated based on actual WRS experience and adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). The mortality table was adopted by the Board in connection with the 2012-2014 Experience Study. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

SUPPLEMENTARY INFORMATION

VILLAGE OF WINDSOR

**Balance Sheet
Non-Major Governmental Funds
December 31, 2017**

	Special Revenue Funds	Capital Projects Funds			CDA	Total
	Developer Chargeback Fund	Purchase of Development Rights	Capital Projects Reserve/Replacement	Impact Fee	Community Development Authority	Non-Major Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 12,623	\$ 237,609	\$ -	\$ 262,619	\$ 512,851
Restricted Cash	-	-	-	554,010	-	554,010
Receivables:						
Taxes	-	-	80,000	-	-	80,000
Other	43,479	-	-	-	48,235	91,714
Total Assets	<u>\$ 43,479</u>	<u>\$ 12,623</u>	<u>\$ 317,609</u>	<u>\$ 554,010</u>	<u>\$ 310,854</u>	<u>\$ 1,238,575</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable & Accrued Liabilities	\$ 1,850	\$ -	\$ 10,173	\$ -	\$ 748	\$ 12,771
Due to Other Funds	28,338	-	-	-	-	28,338
Total Liabilities	<u>30,188</u>	<u>-</u>	<u>10,173</u>	<u>-</u>	<u>748</u>	<u>41,109</u>
Deferred Inflows:						
Tax Levy	-	-	80,000	-	-	80,000
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Fund Balances:						
Restricted	13,291	12,623	-	554,010	310,106	890,030
Assigned	-	-	227,436	-	-	227,436
Total Fund Balances	<u>13,291</u>	<u>12,623</u>	<u>227,436</u>	<u>554,010</u>	<u>310,106</u>	<u>1,117,466</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 43,479</u>	<u>\$ 12,623</u>	<u>\$ 317,609</u>	<u>\$ 554,010</u>	<u>\$ 310,854</u>	<u>\$ 1,238,575</u>

VILLAGE OF WINDSOR

Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended December 31, 2017

	Special Revenue Funds		Capital Projects Funds		CDA	Total Non-Major Governmental Funds
	Developer Chargeback Fund	Purchase of Development Rights	Capital Projects Reserve/Replacement	Impact Fee	Community Development Authority	
REVENUES						
Property Taxes	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000
License and Permits	-	-	-	173,872	6,229	180,101
Public Charges for Services	-	-	-	66,030	-	66,030
Interest Income	51	48	643	1,494	763	2,999
Miscellaneous Income	-	-	50,800	-	1,410	52,210
Total Revenues	<u>51</u>	<u>48</u>	<u>121,443</u>	<u>241,396</u>	<u>8,402</u>	<u>371,340</u>
EXPENDITURES						
Current:						
General Government	-	-	48,601	-	20,191	68,792
Public Safety	-	-	-	135,545	-	135,545
Public Works	-	-	156,945	-	-	156,945
Conservation and Development	-	-	-	-	20,066	20,066
Capital Outlay	-	-	132,677	-	-	132,677
Total Expenditures	<u>-</u>	<u>-</u>	<u>338,223</u>	<u>135,545</u>	<u>40,257</u>	<u>514,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>51</u>	<u>48</u>	<u>(216,780)</u>	<u>105,851</u>	<u>(31,855)</u>	<u>(142,685)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	250,000	-	48,235	298,235
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>48,235</u>	<u>298,235</u>
Net Change in Fund Balances	51	48	33,220	105,851	16,380	155,550
Fund Balances - Beginning	13,240	12,575	194,216	448,159	293,726	961,916
Fund Balances - Ending	<u>\$ 13,291</u>	<u>\$ 12,623</u>	<u>\$ 227,436</u>	<u>\$ 554,010</u>	<u>\$ 310,106</u>	<u>\$ 1,117,466</u>

VILLAGE OF WINDSOR

**Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended December 31, 2017**

	Non-Major Proprietary Funds				
	Water Utility UD #1	Sewer Utility UD #1	Water Utility UD #2	Sewer Utility UD #2	Total
OPERATING REVENUES					
Charges for Services	\$ 343	\$ -	\$ 15	\$ -	\$ 358
Other Operating Revenues	185	-	114	-	299
Total Operating Revenues	528	-	129	-	657
OPERATING EXPENSES					
Operation and Maintenance	33,539	-	746	-	34,285
Total Operating Expenses	33,539	-	746	-	34,285
Operating Income (Loss)	(33,011)	-	(617)	-	(33,628)
NON-OPERATING REVENUES (EXPENSES)					
Miscellaneous Non-Operating Revenue	116	-	7	-	123
Total Non-Operating Revenues (Expenses)	116	-	7	-	123
Income (Loss) Before Transfers and Special Items	(32,895)	-	(610)	-	(33,505)
Impact Fees	9,000	-	-	-	9,000
Transfers Out	(6,957,969)	(5,199,933)	(776,736)	(940,433)	(13,875,071)
Change in Net Position	(6,981,864)	(5,199,933)	(777,346)	(940,433)	(13,899,576)
Net Position - Beginning	6,981,864	5,199,933	777,346	940,433	13,899,576
Total Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -

VILLAGE OF WINDSOR

Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended December 31, 2017

	Water Utility UD #1	Sewer Utility UD #1	Water Utility UD #2	Sewer Utility UD #2	Total
<u>Cash Flows from Operating Activities:</u>					
Receipts from customers	\$ 528	\$ -	\$ 129	\$ -	\$ 657
Other receipts	116	-	7	-	123
Payments to suppliers	(7,978)	-	(746)	-	(8,724)
Payments to employees	(25,561)	-	-	-	(25,561)
Net cash provided (used) by operating activities	(32,895)	-	(610)	-	(33,505)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Impact fees and special assessments collected	9,000	-	-	-	9,000
Net cash provided (used) by capital and related financing activities	9,000	-	-	-	9,000
<u>Cash Flows from Non Capital and Related Financing Activities:</u>					
Transfers	(1,358,009)	(1,470,050)	(70,517)	(91,671)	(2,990,247)
Net cash provided (used) by noncapital and related financing activities	(1,358,009)	(1,470,050)	(70,517)	(91,671)	(2,990,247)
Net increase (decrease) in cash and equivalents	(1,381,904)	(1,470,050)	(71,127)	(91,671)	(3,014,752)
<u>Cash and Equivalents, Beginning of year</u>	1,381,904	1,470,050	71,127	91,671	3,014,752
<u>Cash and Equivalents, End of year</u>	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating Income (loss)	\$ (33,011)	\$ -	\$ (617)	\$ -	\$ (33,628)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Miscellaneous non-operating revenues (expenses)	116	-	7	-	123
Net cash provided (used) by operating activities	(32,895)	-	(610)	-	(33,505)

Village of Windsor

Debt Repayment Summary
Governmental Activities
Principal Payments
December 31, 2017

Year	2010 GO	2012 GO	2015 GO	2015 GO	2015 GO	2016 GO	2017 GO	Total G.O. Debt
2018	\$ 500,000	\$ 225,000	\$ 300,000	\$ -	\$ 50,000	\$ 220,000	\$ 55,000	\$ 1,350,000
2019	500,000	200,000	200,000	-	50,000	215,000	55,000	1,220,000
2020	3,505,000	-	275,000	75,000	50,000	5,000	55,000	3,965,000
2021	-	-	275,000	100,000	50,000	5,000	55,000	485,000
2022	-	-	250,000	125,000	50,000	5,000	55,000	485,000
2023	-	-	200,000	125,000	50,000	5,000	55,000	435,000
2024	-	-	150,000	125,000	50,000	5,000	55,000	385,000
2025	-	-	150,000	150,000	50,000	5,000	55,000	410,000
2026	-	-	-	175,000	-	5,000	55,000	235,000
2027	-	-	-	200,000	-	-	55,000	255,000
2028	-	-	-	200,000	-	-	-	200,000
2029	-	-	-	200,000	-	-	-	200,000
2030	-	-	-	225,000	-	-	-	225,000
2031	-	-	-	225,000	-	-	-	225,000
2032	-	-	-	250,000	-	-	-	250,000
2033	-	-	-	275,000	-	-	-	275,000
2034	-	-	-	275,000	-	-	-	275,000
2035	-	-	-	275,000	-	-	-	275,000
	<u>\$ 4,505,000</u>	<u>\$ 425,000</u>	<u>\$ 1,800,000</u>	<u>\$ 3,000,000</u>	<u>\$ 400,000</u>	<u>\$ 470,000</u>	<u>\$ 550,000</u>	<u>\$ 11,150,000</u>

Village of Windsor

Debt Repayment Summary
Governmental Activities
Interest Payments
December 31, 2017

Year	2010 GO	2012 GO	2015 GO	2015 GO	2015 GO	2016 GO	2017 GO	Total GO
2018	\$ 186,463	\$ 4,863	\$ 27,638	\$ 116,094	\$ 10,003	\$ 7,425	\$ 14,575	\$ 367,059
2019	168,463	2,500	24,813	116,094	8,752	3,075	13,118	336,814
2020	148,963	-	21,569	116,094	7,523	863	11,660	306,670
2021	-	-	17,375	113,844	6,252	738	10,203	148,410
2022	-	-	12,925	110,844	5,001	613	8,745	138,128
2023	-	-	8,675	107,094	3,751	481	7,288	127,289
2024	-	-	5,063	103,344	2,508	344	5,830	117,088
2025	-	-	1,725	98,344	1,250	206	4,373	105,898
2026	-	-	-	92,344	-	69	2,915	95,328
2027	-	-	-	85,344	-	-	1,458	86,801
2028	-	-	-	77,344	-	-	-	77,344
2029	-	-	-	69,344	-	-	-	69,344
2030	-	-	-	61,344	-	-	-	61,344
2031	-	-	-	52,344	-	-	-	52,344
2032	-	-	-	43,344	-	-	-	43,344
2033	-	-	-	33,344	-	-	-	33,344
2034	-	-	-	22,344	-	-	-	22,344
2035	-	-	-	11,344	-	-	-	11,344
	<u>\$ 503,888</u>	<u>\$ 7,363</u>	<u>\$ 119,781</u>	<u>\$ 1,430,188</u>	<u>\$ 45,040</u>	<u>\$ 13,813</u>	<u>\$ 80,163</u>	<u>\$ 2,200,234</u>

Village of Windsor

Debt Repayment Summary

Proprietary Funds

Principal Payments

December 31, 2017

Year	Water 2013 CWFL	Water 2016 GO	Water 2017 GO	Total Debt
2018	\$ 26,152	\$ 85,000	\$ 55,000	\$ 166,152
2019	26,454	90,000	60,000	176,454
2020	26,760	95,000	60,000	181,760
2021	27,069	95,000	65,000	187,069
2022	27,382	95,000	65,000	187,382
2023	27,698	100,000	65,000	192,698
2024	28,018	105,000	65,000	198,018
2025	28,341	105,000	65,000	198,341
2026	28,669	110,000	70,000	208,669
2027	29,000	110,000	70,000	209,000
2028	29,335	120,000	70,000	219,335
2029	29,674	90,000	60,000	179,674
2030	30,016	-	65,000	95,016
2031	30,363	-	65,000	95,363
2032	30,714	-	65,000	95,714
2033	31,069	-	70,000	101,069
2034	-	-	70,000	70,000
2035	-	-	75,000	75,000
	<u>\$ 456,713</u>	<u>\$ 1,200,000</u>	<u>\$ 1,180,000</u>	<u>\$ 2,836,713</u>

Village of Windsor

Debt Repayment Summary
 Proprietary Funds
 Interest Payments
 December 31, 2017

Year	Water 2013 CWFL	Water 2016 GO	Water 2017 GO	Total Interest
2018	\$ 5,124	\$ 29,035	\$ 30,050	\$ 64,209
2019	4,820	27,285	25,720	57,825
2020	4,513	25,198	24,925	54,635
2021	4,202	22,823	24,019	51,043
2022	3,888	20,448	22,995	47,330
2023	3,569	17,885	21,890	43,344
2024	3,248	15,066	20,688	39,001
2025	2,922	12,179	19,388	34,489
2026	2,593	9,223	17,950	29,766
2027	2,260	6,060	16,375	24,695
2028	1,923	3,150	14,713	19,786
2029	1,582	945	13,088	15,615
2030	1,238		11,444	12,681
2031	889		9,656	10,545
2032	536		7,788	8,324
2033	179		5,763	5,942
2034	-		3,575	3,575
2035	-		1,219	1,219
	<u>\$ 43,487</u>	<u>\$ 189,295</u>	<u>\$ 291,242</u>	<u>\$ 524,024</u>