



**Baird Financial
Management Plan**
Village of Osceola, WISCONSIN



Baird Presentation to Village Admin and Finance Committee.....June 4, 2021
Baird Presentation to Village Board.....October 12, 2021

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Table of Contents

Village of Osceola Officials	4
Types of Municipal Debt	5
Debt Structures	5
Current Financial Position	6
General Obligation Bond Rating Factors & Indicators	12
Baird Internal Village of Osceola General Obligation Bond Credit Analysis: Using 2019 Audit and Available Information.....	14
General Obligation Bond Credit Rating Comparison Analysis.....	15
Financial Plan Data Tables & Key Assumptions	16
Equalized Value (Historical)	16
Equalized Value (Projected Future Using Historical Average).....	17
Operating Budget Projections (General Fund Summary)	18
Long-term Capital Finance Plan	19
General Obligation Capital Finance Plan (Updated Annually in Collaboration with Village Officials) - Assumes hypothetical capital borrowings every other year of \$1,000,000 amortized over 10 years	21
General Obligation Bonding Capacity - Assumes hypothetical capital borrowings every other year of \$1,500,000 amortized over 10-20 years.....	22
Projected Property Tax Impacts (After Future Hypothetical General Obligation Borrowing) ...	23
Mill Rate Comparison Analysis.....	24
Tax Increment Finance Districts & Economic Development Initiatives.....	25
Challenges	25
Executive Summary	26
Existing TIDs.....	26
TID #2 Summary.....	29
TID 2 Cashflow Proforma – Current Status.....	30
TID #3 Summary.....	31
TID 3 Cashflow Proforma – Current Status.....	32
TID 3 Cashflow Proforma – Current Status (cont.)	33
Current Financial Position of Water Utility	34
Water Utility Debt Schedules.....	34



Water Utility Debt Schedules (Continued)	35
Water Utility Coverage Analysis.....	36
Current Financial Position of Sewer Utility	37
Sewer Utility Debt Schedules.....	37
Sewer Utility Coverage Analysis.....	38
Water & Sewer Capital Finance Plan (Updated Annually in Collaboration with Village Officials) - Assumes hypothetical capital borrowings every other year of \$500,000 amortized over 20 years starting in 2024.....	39
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Water & Sewer Capital Finance Plan (Updated Annually in Collaboration with Village Officials) - Continued.....	40
Review Policies & Observations	41
Important Disclosures	42

Village of Osceola Officials

Village Board

Jeromy Buberl	Village President
Van A. Burch	Trustee
Bruce Gilliland	Trustee
Brad Lutz	Trustee
Deb Rose	Trustee
Holly Walsh	Trustee
Joel West	Trustee

Village Department Heads

Benjamin Krumenauer	Village Administrator/Treasurer
Frances Duncanson	Village Clerk
Rick Caruso	Utilities Coordinator
Todd Waters	Public Works Coordinator
Ron Pedrys	Police Chief
Paul Elfstrom	Fire Chief
Shelby Friendshuh	Library

Administration and Finance Review Committee

Deb Rose (Chair)
Bruce Gilliland
Joel West

Report Prepared by: Baird Public Finance



Justin Fischer	Director
Emily Timmerman	Vice President
Jordan Thurow	Quantitative Analyst
Brian Ruechel	Director

Types of Municipal Debt

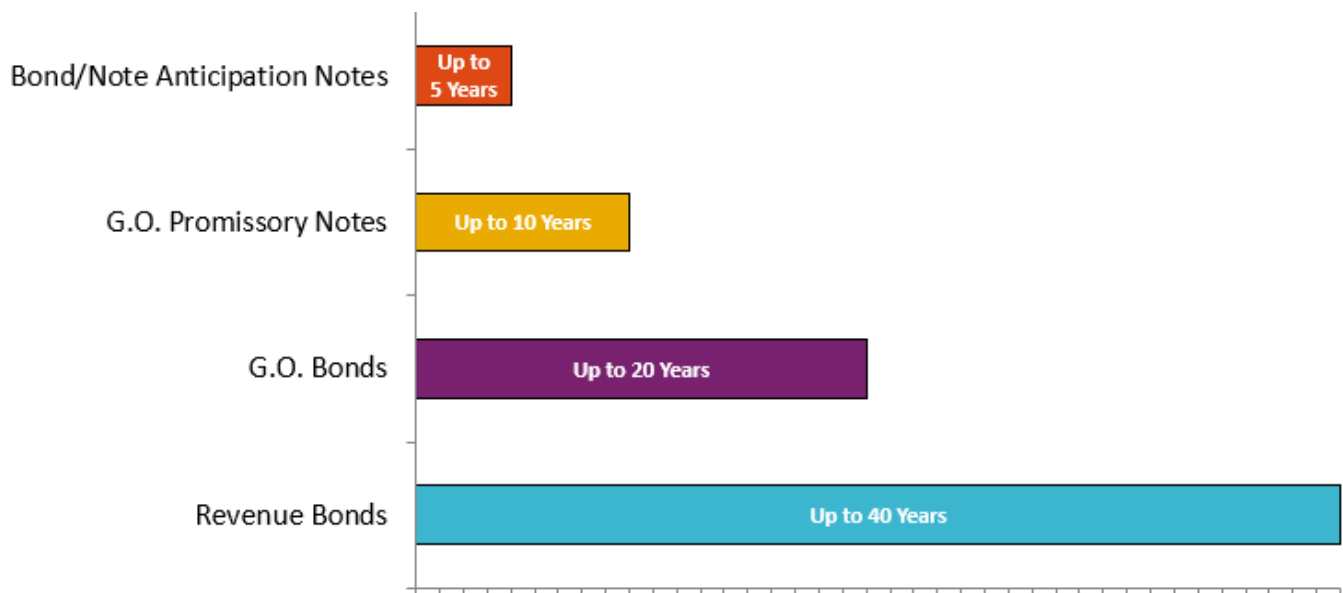
General Obligation

- Supported by **the full faith and credit of the issuer** (the authority to levy tax)
- Council/Board Resolution assigns a direct and irrevocable annual tax levy sufficient to repay the principal and interest on the bonds
- Generally **lower** interest rates due to less risk associated with the unlimited security pledge to levy a tax to repay the securities compared to revenue bonds of the same issuer
- State law limitations

Revenue Obligations

- Supported by revenue (e.g., revenue received from water and sewer bills)
- Used for more complex issues, issuers **pledge revenues** toward debt service and are generally required to meet certain tests and have special funds set aside for payments
- Generally **higher** interest rates due to more risk associated with limited security pledge to use available revenue to repay the securities compared to general obligation bonds of the same issuer

Debt Structures



The structure will depend upon the issuer's goals, purpose/project type, state statutes, etc.



Current Financial Position

General Obligation Debt Schedules

CALENDAR YEAR	Partially Sewer Supported				Sewer Portion			All Special Assessments Supported				Callables			
	PRINCIPAL (6/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (3/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL
2021	\$260,000	3.000%	\$3,900	\$263,900	\$10,000	\$150	\$10,150	\$26,000	4.000%	\$520	\$26,520	\$50,000	2.000%	\$6,300	\$56,300
2022												\$265,000	2.000%	\$5,300	\$270,300
2023															
2024															
2025															
2026															
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2040															
2041															
TOTAL	\$260,000		\$3,900	\$263,900	\$10,000	\$150	\$10,150	\$26,000		\$520	\$26,520	\$315,000		\$11,600	\$326,600

Callable Maturities CR of 12/1/2001 Bonds



CALENDAR YEAR	All Sewer Supported				Partially TID 2 Supported				All Special Assessments Supported				Water Supported			
	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (10/16)	RATE	INTEREST (10/16)	TOTAL	PRINCIPAL (12/1)	RATE	INTEREST (12/1)	TOTAL
	Callable: '24-'28 Callable 12/1/23 or on any date thereafter @ Par				Callable: Noncallable				Callable: Any Date				Callable: Any Date			
2021	\$140,000	3.000%	\$64,450	\$204,450			\$7,050	\$7,050	\$6,276	2.850%	\$1,359	\$7,634	\$32,696	2.850%	\$7,081	\$39,777
2022	\$155,000	3.000%	\$60,250	\$215,250			\$7,050	\$7,050	\$6,454	2.850%	\$1,180	\$7,634	\$215,771	2.850%	\$6,149	\$221,921
2023	\$160,000	4.000%	\$55,600	\$215,600	\$235,000	3.000%	\$7,050	\$242,050	\$6,638	2.850%	\$996	\$7,634				
2024	\$165,000	4.000%	\$49,200	\$214,200					\$6,825	2.850%	\$809	\$7,634				
2025	\$170,000	4.000%	\$42,600	\$212,600					\$7,022	2.850%	\$612	\$7,634				
2026	\$285,000	4.000%	\$35,800	\$320,800					\$7,222	2.850%	\$412	\$7,634				
2027	\$300,000	4.000%	\$24,400	\$324,400					\$7,237	2.850%	\$206	\$7,443				
2028	\$310,000	4.000%	\$12,400	\$322,400												
2029																
2030																
2031																
2032																
2033																
2034																
2035																
2036																
2037																
2038																
2039																
2040																
2041																
TOTAL	\$1,685,000		\$344,700	\$2,029,700	\$235,000		\$21,150	\$256,150	\$47,675		\$5,574	\$53,249	\$248,467		\$13,231	\$261,698
Callable Maturities	Refinanced 2001 Sewerage System Rev. Bonds Refinanced 2009 G.O. Bonds				Refunded 2005 G.O. Refunding Bonds				Pheasant Run Phase II Special Assessments				MidWestOne Bank Refinanced 2007 Notes			



Issue: 8
 Amount: \$4,470,000
 Type: General Obligation Refunding Bonds (CR)
 Dated: October 16, 2019

CALENDAR YEAR	Callable: '28-'38 Callable 6/1/27 or on any date thereafter @ Par				Fire Hall Portion - Levy Supported			Highway Portion - Levy Supported			Library Portion - Levy Supported		
	PRINCIPAL (6/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2021	\$270,000	3.000%	\$125,750	\$395,750	\$135,000	\$70,305	\$205,305	\$50,000	\$39,580	\$89,580	\$5,000	\$5,515	\$10,515
2022	\$285,000	3.000%	\$117,425	\$402,425	\$135,000	\$66,255	\$201,255	\$55,000	\$38,005	\$93,005	\$5,000	\$5,365	\$10,365
2023	\$175,000	4.000%	\$109,650	\$284,650	\$110,000	\$62,030	\$172,030	\$55,000	\$36,080	\$91,080	\$10,000	\$5,090	\$15,090
2024	\$190,000	4.000%	\$102,350	\$292,350	\$115,000	\$57,530	\$172,530	\$60,000	\$33,780	\$93,780	\$10,000	\$4,690	\$14,690
2025	\$200,000	4.000%	\$94,550	\$294,550	\$125,000	\$52,730	\$177,730	\$60,000	\$31,380	\$91,380	\$10,000	\$4,290	\$14,290
2026	\$205,000	4.000%	\$86,450	\$291,450	\$125,000	\$47,730	\$172,730	\$65,000	\$28,880	\$93,880	\$10,000	\$3,890	\$13,890
2027	\$215,000	4.000%	\$78,050	\$293,050	\$135,000	\$42,530	\$177,530	\$65,000	\$26,280	\$91,280	\$10,000	\$3,490	\$13,490
2028	\$225,000	3.000%	\$70,375	\$295,375	\$135,000	\$37,805	\$172,805	\$70,000	\$23,930	\$93,930	\$10,000	\$3,140	\$13,140
2029	\$230,000	2.200%	\$64,470	\$294,470	\$140,000	\$34,240	\$174,240	\$70,000	\$22,110	\$92,110	\$10,000	\$2,880	\$12,880
2030	\$245,000	2.200%	\$59,245	\$304,245	\$150,000	\$31,050	\$181,050	\$70,000	\$20,570	\$90,570	\$10,000	\$2,660	\$12,660
2031	\$250,000	3.000%	\$52,800	\$302,800	\$150,000	\$27,150	\$177,150	\$75,000	\$18,675	\$93,675	\$10,000	\$2,400	\$12,400
2032	\$265,000	3.000%	\$45,075	\$310,075	\$160,000	\$22,500	\$182,500	\$75,000	\$16,425	\$91,425	\$10,000	\$2,100	\$12,100
2033	\$165,000	3.000%	\$38,625	\$203,625	\$50,000	\$19,350	\$69,350	\$80,000	\$14,100	\$94,100	\$10,000	\$1,800	\$11,800
2034	\$175,000	3.000%	\$33,525	\$208,525	\$60,000	\$17,700	\$77,700	\$80,000	\$11,700	\$91,700	\$10,000	\$1,500	\$11,500
2035	\$280,000	3.000%	\$26,700	\$306,700	\$160,000	\$14,400	\$174,400	\$85,000	\$9,225	\$94,225	\$10,000	\$1,200	\$11,200
2036	\$290,000	3.000%	\$18,150	\$308,150	\$170,000	\$9,450	\$179,450	\$85,000	\$6,675	\$91,675	\$10,000	\$900	\$10,900
2037	\$240,000	3.000%	\$10,200	\$250,200	\$115,000	\$5,175	\$120,175	\$90,000	\$4,050	\$94,050	\$10,000	\$600	\$10,600
2038	\$220,000	3.000%	\$3,300	\$223,300	\$115,000	\$1,725	\$116,725	\$90,000	\$1,350	\$91,350	\$15,000	\$225	\$15,225
2039													
2040													
2041													
TOTAL	\$4,125,000		\$1,136,690	\$5,261,690	\$2,285,000	\$619,655	\$2,904,655	\$1,280,000	\$382,795	\$1,662,795	\$175,000	\$51,735	\$226,735

Callable Maturities
 CR of 5/4/17 MidWestOne Bank Loan
 CR of 8/16/17 MidWestOne Bank Loan
 CR of 6/27/18 MidWestOne Bank Loan
 CR of 10/12/18 MidWestOne Bank Loan



Issue: 8
 Amount: \$4,470,000
 Type: General Obligation Refunding Bonds (CR)
 Dated: October 16, 2019

CALENDAR YEAR	Water Portion			Sewer Portion			TIF #2 Portion			Airport Portion		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2021		\$2,470	\$2,470		\$1,910	\$1,910	\$80,000	\$3,600	\$83,600		\$2,370	\$2,370
2022	\$5,000	\$2,395	\$7,395		\$1,910	\$1,910	\$80,000	\$1,200	\$81,200	\$5,000	\$2,295	\$7,295
2023		\$2,320	\$2,320		\$1,910	\$1,910					\$2,220	\$2,220
2024		\$2,320	\$2,320		\$1,910	\$1,910				\$5,000	\$2,120	\$7,120
2025		\$2,320	\$2,320		\$1,910	\$1,910				\$5,000	\$1,920	\$6,920
2026		\$2,320	\$2,320		\$1,910	\$1,910				\$5,000	\$1,720	\$6,720
2027		\$2,320	\$2,320		\$1,910	\$1,910				\$5,000	\$1,520	\$6,520
2028	\$5,000	\$2,245	\$7,245		\$1,910	\$1,910				\$5,000	\$1,345	\$6,345
2029	\$5,000	\$2,115	\$7,115		\$1,910	\$1,910				\$5,000	\$1,215	\$6,215
2030	\$5,000	\$2,005	\$7,005	\$5,000	\$1,855	\$6,855				\$5,000	\$1,105	\$6,105
2031	\$5,000	\$1,875	\$6,875	\$5,000	\$1,725	\$6,725				\$5,000	\$975	\$5,975
2032	\$10,000	\$1,650	\$11,650	\$5,000	\$1,575	\$6,575				\$5,000	\$825	\$5,825
2033	\$10,000	\$1,350	\$11,350	\$10,000	\$1,350	\$11,350				\$5,000	\$675	\$5,675
2034	\$10,000	\$1,050	\$11,050	\$10,000	\$1,050	\$11,050				\$5,000	\$525	\$5,525
2035	\$10,000	\$750	\$10,750	\$10,000	\$750	\$10,750				\$5,000	\$375	\$5,375
2036	\$10,000	\$450	\$10,450	\$10,000	\$450	\$10,450				\$5,000	\$225	\$5,225
2037	\$10,000	\$150	\$10,150	\$10,000	\$150	\$10,150				\$5,000	\$75	\$5,075
2038												
2039												
2040												
2041												
TOTAL	\$85,000	\$30,105	\$115,105	\$65,000	\$26,095	\$91,095	\$160,000	\$4,800	\$164,800	\$75,000	\$21,505	\$96,505

Callable Maturities



Issue: 9
Amount: \$1,500,000
Type: General Obligation Promissory Notes (CR)
Dated: June 1, 2020

Callable: '28-'30 Callable 6/1/27 or on any date thereafter @ Par

Issue: 10
Amount: \$2,400,000
Type: General Obligation Refunding Bonds (CR)
Dated: June 1, 2021

Callable: '29 - '41 Callable 6/1/28 or on any date thereafter @ Par

CALENDAR YEAR	PRINCIPAL	RATE	INTEREST	TOTAL	PRINCIPAL	RATE	INTEREST	TOTAL
	(6/1)		(6/1 & 12/1)		(6/1)		(6/1 & 12/1)	
2021	\$275,000	3.000%	\$63,375	\$338,375				
2022	\$120,000	3.000%	\$34,950	\$154,950	\$75,000	5.000%	\$118,997	\$193,997
2023	\$125,000	3.000%	\$31,275	\$156,275	\$60,000	5.000%	\$75,331	\$135,331
2024	\$125,000	3.000%	\$27,525	\$152,525	\$310,000	5.000%	\$66,081	\$376,081
2025	\$135,000	3.000%	\$23,625	\$158,625	\$200,000	5.000%	\$53,331	\$253,331
2026	\$135,000	3.000%	\$19,575	\$154,575	\$85,000	5.000%	\$46,206	\$131,206
2027	\$140,000	3.000%	\$15,450	\$155,450	\$90,000	5.000%	\$41,831	\$131,831
2028	\$145,000	3.000%	\$11,175	\$156,175	\$95,000	5.000%	\$37,206	\$132,206
2029	\$150,000	3.000%	\$6,750	\$156,750	\$100,000	2.500%	\$33,581	\$133,581
2030	\$150,000	3.000%	\$2,250	\$152,250	\$100,000	2.500%	\$31,081	\$131,081
2031					\$105,000	2.500%	\$28,519	\$133,519
2032					\$105,000	2.500%	\$25,894	\$130,894
2033					\$110,000	2.500%	\$23,206	\$133,206
2034					\$110,000	2.500%	\$20,456	\$130,456
2035					\$115,000	2.500%	\$17,644	\$132,644
2036					\$115,000	2.125%	\$14,984	\$129,984
2037					\$120,000	2.125%	\$12,488	\$132,488
2038					\$120,000	2.125%	\$9,938	\$129,938
2039					\$125,000	2.250%	\$7,256	\$132,256
2040					\$130,000	2.250%	\$4,388	\$134,388
2041					\$130,000	2.250%	\$1,463	\$131,463
TOTAL	<u>\$1,500,000</u>		<u>\$235,950</u>	<u>\$1,735,950</u>	<u>\$2,400,000</u>		<u>\$669,881</u>	<u>\$3,069,881</u>

Callable Maturities

Paying Agent: Associated Trust
Notes: CR of 2019 Bank Loan (\$950,000)
Bid Premium: \$1,048.06

Paying Agent: Associated Trust
Notes: CR of 2020 NAN



CALENDAR YEAR	COMBINED DEBT SERVICE			LESS: TID 2 SUPPORTED		LESS: WATER SUPPORTED		LESS: SEWER SUPPORTED		LESS: SPECIAL ASSESSMENTS SUPPORTED		LESS: AIRPORT SUPPORTED		LESS: BID PREMIUM	NET DEBT SERVICE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	2020 Notes	PRINCIPAL	INTEREST	TOTAL
2021	\$1,059,972	\$279,785	\$1,339,757	\$80,000	\$3,600	\$32,696	\$9,551	\$150,000	\$66,510	\$32,276	\$1,879		\$2,370	(\$1,048)	\$765,000	\$194,827	\$959,827
2022	\$1,122,226	\$351,301	\$1,473,527	\$80,000	\$1,200	\$220,771	\$8,544	\$155,000	\$62,160	\$6,454	\$1,180	\$5,000	\$2,295		\$655,000	\$275,922	\$930,922
2023	\$761,638	\$279,902	\$1,041,541				\$2,320	\$160,000	\$57,510	\$6,638	\$996		\$2,220		\$595,000	\$216,856	\$811,856
2024	\$796,825	\$245,965	\$1,042,791				\$2,320	\$165,000	\$51,110	\$6,825	\$809	\$5,000	\$2,120		\$620,000	\$189,606	\$809,606
2025	\$712,022	\$214,718	\$926,741				\$2,320	\$170,000	\$44,510	\$7,022	\$612	\$5,000	\$1,920		\$530,000	\$165,356	\$695,356
2026	\$717,222	\$188,443	\$905,666				\$2,320	\$285,000	\$37,710	\$7,222	\$412	\$5,000	\$1,720		\$420,000	\$146,281	\$566,281
2027	\$752,237	\$159,937	\$912,174				\$2,320	\$300,000	\$26,310	\$7,237	\$206	\$5,000	\$1,520		\$440,000	\$129,581	\$569,581
2028	\$775,000	\$131,156	\$906,156			\$5,000	\$2,245	\$310,000	\$14,310			\$5,000	\$1,345		\$455,000	\$113,256	\$568,256
2029	\$480,000	\$104,801	\$584,801			\$5,000	\$2,115		\$1,910			\$5,000	\$1,215		\$470,000	\$99,561	\$569,561
2030	\$495,000	\$92,576	\$587,576			\$5,000	\$2,005	\$5,000	\$1,855			\$5,000	\$1,105		\$480,000	\$87,611	\$567,611
2031	\$355,000	\$81,319	\$436,319			\$5,000	\$1,875	\$5,000	\$1,725			\$5,000	\$975		\$340,000	\$76,744	\$416,744
2032	\$370,000	\$70,969	\$440,969			\$10,000	\$1,650	\$5,000	\$1,575			\$5,000	\$825		\$350,000	\$66,919	\$416,919
2033	\$275,000	\$61,831	\$336,831			\$10,000	\$1,350	\$10,000	\$1,350			\$5,000	\$675		\$250,000	\$58,456	\$308,456
2034	\$285,000	\$53,981	\$338,981			\$10,000	\$1,050	\$10,000	\$1,050			\$5,000	\$525		\$260,000	\$51,356	\$311,356
2035	\$395,000	\$44,344	\$439,344			\$10,000	\$750	\$10,000	\$750			\$5,000	\$375		\$370,000	\$42,469	\$412,469
2036	\$405,000	\$33,134	\$438,134			\$10,000	\$450	\$10,000	\$450			\$5,000	\$225		\$380,000	\$32,009	\$412,009
2037	\$360,000	\$22,688	\$382,688			\$10,000	\$150	\$10,000	\$150			\$5,000	\$75		\$335,000	\$22,313	\$357,313
2038	\$340,000	\$13,238	\$353,238												\$340,000	\$13,238	\$353,238
2039	\$125,000	\$7,256	\$132,256												\$125,000	\$7,256	\$132,256
2040	\$130,000	\$4,388	\$134,388												\$130,000	\$4,388	\$134,388
2041	\$130,000	\$1,463	\$131,463												\$130,000	\$1,463	\$131,463
TOTAL	\$10,842,142	\$2,443,196	\$13,285,339	\$160,000	\$4,800	\$333,467	\$43,336	\$1,760,000	\$370,945	\$73,675	\$6,094	\$75,000	\$21,505		\$8,440,000	\$1,995,468	\$10,435,468

General Obligation Bond Rating Factors & Indicators

Debt/Pensions

- Debt as a % of Tax Base
 - Debt as a % of Revenue
 - Pension Liability as % of Full Value
 - Trend over time
 - Pension Liability as a % of Revenues
 - Trend over time
-
- Security of debt
 - Pension risk
 - Missed debt payments
 - Other factors

Finances

- Fund Balance as a % of Operating Revenue
 - Trend over time
 - Cash Balance as a % of Revenues
 - Trend over time
-
- Liability Risk
 - Volatile Revenues
 - Other factors

Economy/ Tax Base

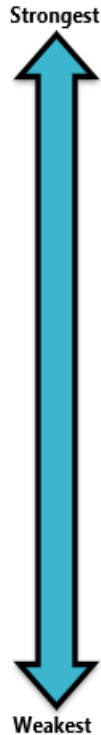
- Full Value
 - Full Value/Capita
 - Median family income
-
- Unemployment Rate
 - Poverty Levels
 - Institutional Presence
 - Economic Concentration
 - Largest Taxpayers
 - Largest Employers
 - Other Factors

Management

- Institutional Framework
 - Legal Framework
 - Operating History
-
- State Oversight
 - Management and planning
 - Other factors

- Rated issues generally provide lower interest cost to the issuer as it provides investors an objective view of the financial health of the entity
- Help to increase investor demand
- The **higher** the rating, the **lower** the interest rate

Moody's Long-term	S&P Long-term	Rating Description
Aaa	AAA	Prime
Aa1	AA+	High grade
Aa2	AA	
Aa3	AA-	
A1	A+	Upper medium grade
A2	A	
A3	A-	
Baa1	BBB+	Lower medium grade
Baa2	BBB	
Baa3	BBB-	
Ba1	BB+	Non-investment grade speculative
Ba2	BB	
Ba3	BB-	
B1	B+	Highly speculative
B2	B	
B3	B-	



Note: Ratings measured on a scale that generally ranges from AAA or Aaa (highest) to D or C (lowest)

Wisconsin Municipal Bond Rating Breakdown

S&P Global	# of Rated Munis*
AAA	3
AA+	2
AA	32
AA-	31
A+	17
A	8
A-	1
Below Investment Grade	4
Total	98

Many small municipal issuers are non-rated

*Note: S&P data only contains WI municipalities (data for counties was not provided)

BAIRD INTERNAL VILLAGE OF OSCEOLA GENERAL OBLIGATION BOND CREDIT ANALYSIS: USING 2019 AUDIT AND AVAILABLE INFORMATION

U.S. LOCAL GOVERNMENT GENERAL OBLIGATION SCORECARD										
Issuer Name:	Village of Osceola			Org ID:				Entity:	City	
2014-2019 Audited Financial Statements										
	Very Strong .5-1.49	Strong 1.50-2.49	Moderate 2.50-3.49	Weak 3.50-4.49	Poor 4.50-5.49	Very Poor 5.50-6.50	Column pulls from Input tab.	Weight	Moody's Score	
City	Aaa	Aa	A	Baa	Ba	B & Below	Input			
ECONOMY/TAX BASE (30%)										
Tax Base Size: Full Value (in 000s)	> \$12B	\$12B ≥ n > \$1.4B	\$1.4B ≥ n > \$240M	\$240M ≥ n > \$120M	\$120M ≥ n > \$60M	≤ \$60M	\$0.236	10%	3.53	
Full Value Per Capita	> \$150,000	\$150,000 ≥ n > \$65,000	\$65,000 ≥ n > \$35,000	\$35,000 ≥ n > \$20,000	\$20,000 ≥ n > \$10,000	≤ \$10,000	\$87,655	10%	2.23	
Socioeconomic Indices: MFI	> 150% of US median	150% to 90% of US median	90% to 75% of US median	75% to 50% of US median	50% to 40% of US median	≤ 40% of US median	57.14%	10%	4.21	
FINANCES (30%)										
Fund Balance as % of Revenues	> 30.0% > 25.0% for School Districts	30.0% ≥ n > 15.0% 25.0% ≥ n > 10.0% for SD	15.0% ≥ n > 5.0% 10.0% ≥ n > 2.5% for SD	5.0% ≥ n > 0.0% 2.5% ≥ n > 0.0% for SD	0.0% ≥ n > -2.5% 0.0% ≥ n > -2.5% for SD	≤ -2.5% ≤ -2.5% for SD	-4.80%	10%	5.81	
5-Year Dollar Change in Fund Balance as % of Revenues	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	-14.61%	5%	5.08	
Cash Balance as % of Revenues	> 25.0% > 10.0% for School Districts	25.0% ≥ n > 10.0% 10.0% ≥ n > 5.0% for SD	10.0% ≥ n > 5.0% 5.0% ≥ n > 2.5% for SD	5.0% ≥ n > 0.0% 2.5% ≥ n > 0.0% for SD	0.0% ≥ n > -2.5% 0.0% ≥ n > -2.5% for SD	≤ -2.5% ≤ -2.5% for SD	0.89%	10%	4.32	
5-Year Dollar Change in Cash Balance as % of Revenues	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	-7.93%	5%	4.29	
MANAGEMENT (20%)										
Institutional Framework	Very strong legal ability to match resources with spending	Strong legal ability to match resources with spending	Moderate legal ability to match resources with spending	Limited legal ability to match resources with spending	Poor legal ability to match resources with spending	Very poor or no legal ability to match resources with spending	A	10%	3.00	
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	> 1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	0.97x	10%	3.84	
DEBT/PENSIONS (20%)										
Net Direct Debt / Full Value	< 0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	> 15.00%	4.39%	5%	3.56	
Net Direct Debt / Operating Revenues	< 0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	> 7.00x	1.72x	5%	2.95	
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	< 0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	> 18.00%	1.20%	5%	1.75	
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	< 0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	> 8.40x	0.80x	5%	2.50	
Total Score									3.70	
Unadjusted Rating									Baa1	



GENERAL OBLIGATION BOND CREDIT RATING COMPARISON ANALYSIS

Village of Osceola- Rating Comparison							
	Village of Granstburg	City of Barron	Village of Osceola	City of St. Croix Falls	City of Amery	City of New Richmond	City of Rice Lake
Rating (Moody's/S&P)	NR	NR	Baa1	A3	A+	A1	AA-
2021 Equalized Valuation (TID IN)	\$81,349,300	\$166,664,200	\$261,336,800	\$267,610,000	\$259,120,200	\$1,038,564,100	\$812,708,400
% Change in Equalized Valuations (TID IN) Since 2016	35.08%	22.76%	48.81%	36.57%	36.36%	57.08%	25.56%
Estimated Population as of January 2020*	1,318	3,356	2,698	2,113	2,856	9,741	8,788
Full Value per capita	\$61,722	\$49,662	\$96,863	\$126,649	\$90,728	\$106,618	\$92,479
Equalized valuation from five years prior (TID-IN)	\$60,221,900	\$135,761,900	\$175,612,500	\$195,956,500	\$190,021,500	\$661,173,500	\$647,269,000
Statutory Debt Limit (5% of Equalized Valuation)	\$4,067,465	\$8,333,210	\$13,066,840	\$13,380,500	\$12,956,010	\$51,928,205	\$40,635,420
Direct GO Debt (12/31/2019)*	\$2,277,390	\$2,934,212	\$9,839,773	\$8,629,255	\$2,694,257	\$15,879,891	\$14,674,512
% of Statutory Debt Limit Incurred	55.99%	35.21%	75.30%	64.49%	20.80%	30.58%	36.11%
% of Statutory Debt Limit Available	44.01%	64.79%	24.70%	35.51%	79.20%	69.42%	63.89%
Direct Debt per Capita	\$1,727.91	\$874.32	\$3,647.06	\$4,083.89	\$943.37	\$1,630.21	\$1,669.84
Direct Debt as a % of Equalized Valuation	2.80%	1.76%	3.77%	3.22%	1.04%	1.53%	1.81%
GF Fund Balance 12/31/2019*	\$194,435	\$593,354	(\$288,649)	\$198,732	\$266,537	\$2,087,747	\$3,502,904
Revenues (GF + Debt Service) as of 12/31/2019*	\$1,880,311	\$2,314,214	\$2,275,173	\$1,831,411	\$3,271,842	\$8,184,755	\$8,769,324
2019 GF Fund Balance as a % of Revenue	10.34%	25.64%	-12.69%	10.85%	8.15%	25.51%	39.94%

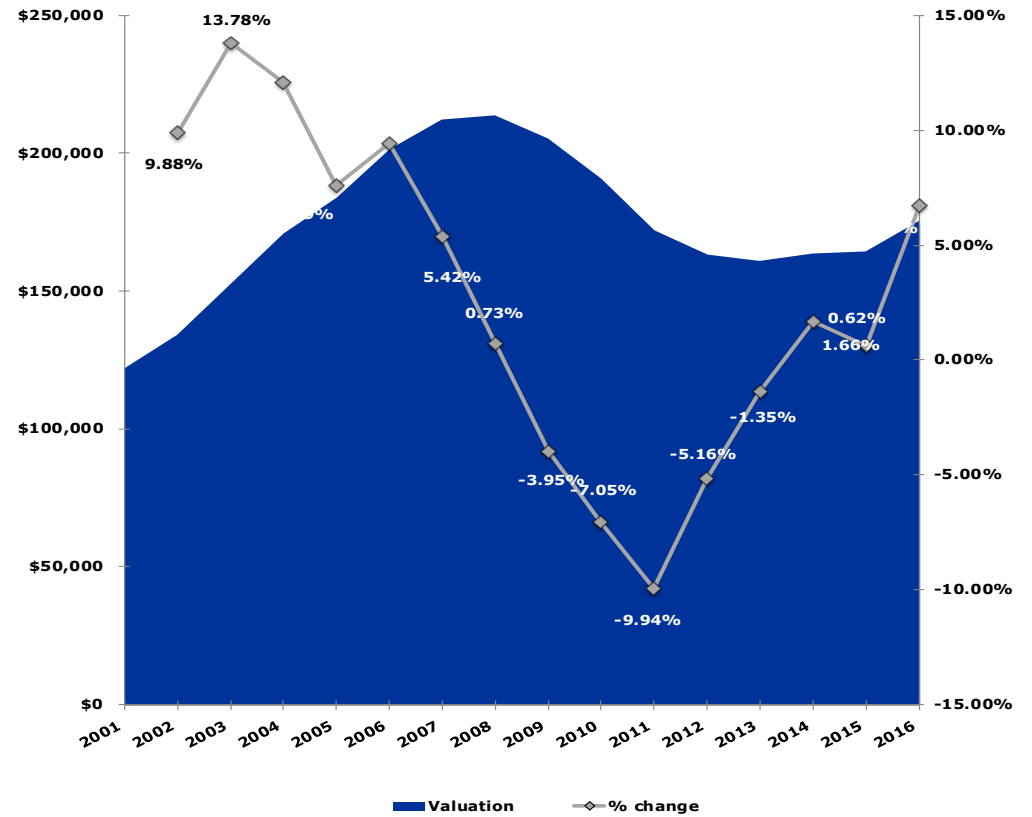
*According to audited financial statements.



Financial Plan Data Tables & Key Assumptions

EQUALIZED VALUE (HISTORICAL)

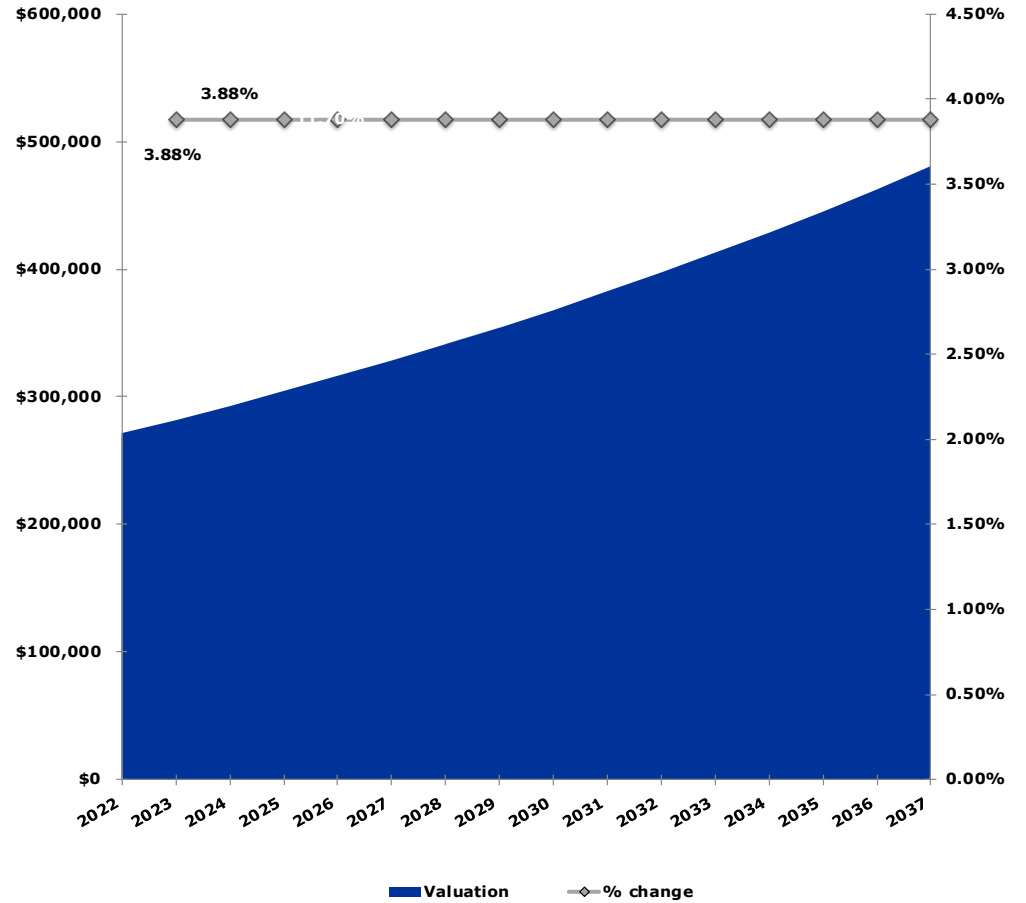
<u>Year</u>	<u>Valuation</u>	<u>% change</u>
2001	\$122,081,900	
2002	\$134,138,400	9.88%
2003	\$152,624,400	13.78%
2004	\$171,061,800	12.08%
2005	\$184,044,200	7.59%
2006	\$201,423,000	9.44%
2007	\$212,331,300	5.42%
2008	\$213,873,000	0.73%
2009	\$205,423,100	-3.95%
2010	\$190,946,800	-7.05%
2011	\$171,962,600	-9.94%
2012	\$163,085,800	-5.16%
2013	\$160,882,300	-1.35%
2014	\$163,545,700	1.66%
2015	\$164,552,200	0.62%
2016	\$175,612,500	6.72%
2017	\$187,296,700	6.65%
2018	\$197,982,500	5.71%
2019	\$218,082,400	10.15%
2020	\$236,492,300	8.44%
2021	\$261,336,800	10.51%



Twenty Year Average Annual Growth Rate..... 3.88%

EQUALIZED VALUE (PROJECTED FUTURE USING HISTORICAL AVERAGE)

<u>Year</u>	<u>Valuation</u>	<u>% change</u>
2022	\$271,473,870	
2023	\$282,004,149	3.88%
2024	\$292,942,890	3.88%
2025	\$304,305,938	3.88%
2026	\$316,109,750	3.88%
2027	\$328,371,424	3.88%
2028	\$341,108,719	3.88%
2029	\$354,340,085	3.88%
2030	\$368,084,686	3.88%
2031	\$382,362,431	3.88%
2032	\$397,193,999	3.88%
2033	\$412,600,873	3.88%
2034	\$428,605,369	3.88%
2035	\$445,230,668	3.88%
2036	\$462,500,851	3.88%
2037	\$480,440,932	3.88%
2038	\$499,076,895	3.88%
2039	\$518,435,735	3.88%
2040	\$538,545,491	3.88%
2041	\$559,435,289	3.88%
2042	\$581,135,388	3.88%



Twenty Year Average Annual Growth Rate..... 3.88%

OPERATING BUDGET PROJECTIONS (GENERAL FUND SUMMARY)

	Historical Data				
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Revenues					
Taxes	\$ 545,312	\$ 545,636	\$ 571,391	\$ 566,517	\$ 725,895
Intergovernmental	544,337	514,474	555,484	557,455	532,119
License and permits	64,737	68,464	111,007	71,176	70,898
Fines and forfeits	31,545	23,278	28,567	31,084	24,100
Public charges for services	271,995	278,761	279,188	269,197	287,414
Intergovernmental charges	109,159	116,648	119,753	126,599	141,232
Interest income	734	573	-	-	-
TID closure*					
Miscellaneous income	77,043	78,375	81,609	96,700	521,282
Total revenues	\$1,644,862	\$1,626,209	\$1,746,999	\$1,718,728	\$2,302,940
% Change		-1.13%	7.43%	-1.62%	33.99%
Expenditures					
General government	294,869	215,924	295,351	328,733	246,628
Public safety	959,426	1,018,953	1,125,640	1,189,106	1,089,259
Public works	260,408	256,685	315,338	367,153	312,631
Health and human services	-	-	-	111	-
Culture and recreation	87,577	92,905	91,104	92,951	100,073
Conservation and development	19,444	23,526	22,212	20,038	11,818
Capital Outlay	-	-	-	-	413,170
Total expenditures	\$1,621,724	\$1,607,993	\$1,849,645	\$1,998,092	\$2,173,579
% Change		-0.85%	15.03%	8.03%	8.78%
Other financing sources (uses)					
Sale of Capital Assets	3,000		3,600		
Operating transfers in	144,468	145,829	139,373	138,043	115,000
Operating transfer (out)	(163,728)	(176,036)	(192,534)	(199,903)	(187,000)
Net other financing sources (uses)	-\$16,260.00	-\$30,207.00	-\$49,561.00	-\$61,860.00	-\$72,000.00
Surplus (Deficit)	\$6,878.00	-\$11,991.00	-\$152,207.00	-\$341,224.00	\$57,361.00
Fund balances - beginning of year	\$660,889.00	\$667,767.00	\$655,776.00	\$503,569.00	\$162,345.00
Fund balances - end of year	\$667,767.00	\$655,776.00	\$503,569.00	\$162,345.00	\$219,706.00
Fund Balance as % of Expenditures	41.18%	40.78%	27.23%	8.13%	10.11%

	Budget Year				
	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Revenues					
Taxes	\$ 758,143	\$ 807,945	\$ 816,024	\$ 824,185	\$ 832,427
Intergovernmental	542,165	547,587	553,063	558,593	564,179
License and permits	81,748	82,565	83,391	84,225	85,067
Fines and forfeits	24,100	24,341	24,584	24,830	25,079
Public charges for services	323,754	326,992	330,261	333,564	336,900
Intergovernmental charges	151,881	153,400	154,934	156,483	158,048
Interest income	-	-	-	-	-
TID closure*					
Miscellaneous income	97,693	98,670	99,657	100,653	101,660
Total revenues	\$1,979,484	\$2,619,293	\$2,061,914	\$2,082,534	\$2,103,359
% Change	-14.05%	32.32%	-21.28%	1.00%	1.00%
Expenditures					
General government	209,406	211,500	213,615	215,751	217,909
Public safety	1,193,286	1,205,219	1,217,271	1,229,444	1,241,738
Public works	373,683	377,420	381,194	385,006	388,856
Health and human services	-	-	-	-	-
Culture and recreation	105,407	106,461	107,526	108,601	109,687
Conservation and development	18,048	18,228	18,411	18,595	18,781
Capital Outlay	-	-	-	-	-
Total expenditures	\$1,899,830	\$1,918,828	\$1,938,017	\$1,957,397	\$1,976,971
% Change	-12.59%	1.00%	1.00%	1.00%	1.00%
Other financing sources (uses)					
Sale of Capital Assets					
Operating transfers in	115,000	115,000	115,000	115,000	115,000
Operating transfer (out)	(188,500)	(188,500)	(188,500)	(188,500)	(188,500)
Net other financing sources (uses)	-\$73,500.00	-\$73,500.00	-\$73,500.00	-\$73,500.00	-\$73,500.00
Surplus (Deficit)	\$6,154.00	\$626,965.13	\$50,397.82	\$51,636.80	\$52,888.17
Fund balances - beginning of year	\$219,706.00	\$225,860.00	\$852,825.13	\$903,222.95	\$954,859.75
Fund balances - end of year	\$225,860.00	\$852,825.13	\$903,222.95	\$954,859.75	\$1,007,747.92
Fund Balance as % of Expenditures	11.89%	44.45%	46.61%	48.78%	50.97%

* Represents Village Share of TID2 Closure estimated Cumulative Fund Balance.

LONG-TERM CAPITAL FINANCE PLAN

Long-range capital planning is a vital tool for any organization

- Allows room for forward thought and discussion
- Better prepares an organization for change
- Creates opportunities that may otherwise be overlooked

Governments faced with increasing expenditure/revenue limitations

- Creative solutions must be developed to meet these demands
- Long-range planning is key to an entity's success
- Funding sources/uses are matched over a multiple-year timeframe

Integrates capital improvement planning into annual budget process

- CIP is the initial step in the annual process
- Operational – Staffing, org. structure, systems (70-80% of budget)
- Capital – Infrastructure, maintenance, and equipment

The Village of Osceola provides Baird with an updated Long-Term Capital Improvement Plan annually to strategically update the Village's long-term hypothetical borrowing plan. It also allows for forward planning in the event a large one-time expenditure is expected in the near future. The Village's goal is invest approximately \$1,000,000 bi-annually for levy related equipment & capital projects. The Village implemented this multi-year capital approach to allow for flexibility in fund planning as well provide for larger capital equipment purchases on odd years and larger capital infrastructure improvements in even years. Additional funding sources for equipment and infrastructure are encouraged including matching grants, Tax Increment Financing, partnerships and "piggybacking" existing contracts.

The Village's Capital Improvement Program 2021-25+ highlights 2022 and 2023 projects in six different categories (Buildings & Grounds, Capital Equipment, Community Development & Planning, Parks, Recreation & Culture, Public Safety and Transportation & Utilities). Areas of focus that align with general capital funding and related debt levy include public works facility improvements, seasonal and general road maintenance equipment, comprehensive planning updates, limited park maintenance and improvements, road maintenance and future road replacement planning.

In addition to the Village's General CIP 2021-25+ projects, the Village also anticipates a general uptick in overdue utility improvements and equipment. Water and Sewer Utility related projects include equipment replacement at the wastewater treatment plant, mainline utility replacement and reconstruction in conjunction with general road improvements and various equipment replacements including maintenance vehicles and medium sized tools. Funding for these projects will be derived from a combination of budgeted utility funds, available grants and utility funded borrow measures. The utility departments anticipate approximately \$500,000 bi-annual borrow measures will be needed to supplement other funding sources. The availability and size of grants will further dictate future borrow measures.



GENERAL OBLIGATION CAPITAL FINANCE PLAN (UPDATED ANNUALLY IN COLLABORATION WITH VILLAGE OFFICIALS) - ASSUMES HYPOTHETICAL CAPITAL BORROWINGS EVERY OTHER YEAR OF \$1,000,000 AMORTIZED OVER 10 YEARS

		PRELIMINARY							
		\$1,035,000							
		G.O. PROMISSORY NOTES							
		<i>Dated June 1, 2022</i>							
		<i>(First interest 6/1/23)</i>							
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE <i>(Levy Supported)</i>	PRINCIPAL <i>(6/1)</i>	INTEREST <i>(6/1 & 12/1)</i> TIC= 2.03%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL	COMBINED DEBT SERVICE <i>(Levy Supported)</i>	* LEVY HYPOTHETICAL FUTURE BORROWINGS <i>(A) (B)</i>	TOTAL COMBINED DEBT SERVICE <i>(Levy Supported)</i>
2021	2022	\$930,922				\$930,922	*	\$0	\$930,922
2022	2023	\$811,856	\$110,000	\$43,920	(\$36,365)	\$117,555	*	\$0	\$929,411
2023	2024	\$809,606	\$95,000	\$25,655		\$120,655	*	\$0	\$930,261
2024	2025	\$695,356	\$95,000	\$22,805		\$117,805	*	\$116,363	\$929,524
2025	2026	\$566,281	\$95,000	\$19,955		\$114,955	*	\$248,875	\$930,111
2026	2027	\$569,581	\$100,000	\$17,030		\$117,030	*	\$244,550	\$931,161
2027	2028	\$568,256	\$100,000	\$14,030		\$114,030	*	\$245,663	\$927,949
2028	2029	\$569,561	\$105,000	\$10,955		\$115,955	*	\$247,125	\$932,641
2029	2030	\$567,611	\$110,000	\$7,840		\$117,840	*	\$244,025	\$929,476
2030	2031	\$416,744	\$110,000	\$4,760		\$114,760	*	\$398,650	\$930,154
2031	2032	\$416,919	\$115,000	\$1,610		\$116,610	*	\$395,913	\$929,441
2032	2033	\$308,456				\$308,456	*	\$619,500	\$927,956
2033	2034	\$311,356				\$311,356	*	\$619,238	\$930,594
2034	2035	\$412,469				\$412,469	*	\$515,813	\$928,281
2035	2036	\$412,009				\$412,009	*	\$519,225	\$931,234
2036	2037	\$357,313				\$357,313	*	\$571,763	\$929,075
2037	2038	\$353,238				\$353,238	*	\$578,338	\$931,575
2038	2039	\$132,256				\$132,256	*	\$712,463	\$844,719
2039	2040	\$134,388				\$134,388	*	\$709,225	\$843,613
2040	2041	\$131,463				\$131,463	*	\$705,988	\$837,450
2041	2042						*		
		\$9,475,641	\$1,035,000	\$168,560	(\$36,365)	\$1,167,195	\$10,642,836	\$7,692,713	\$18,335,549

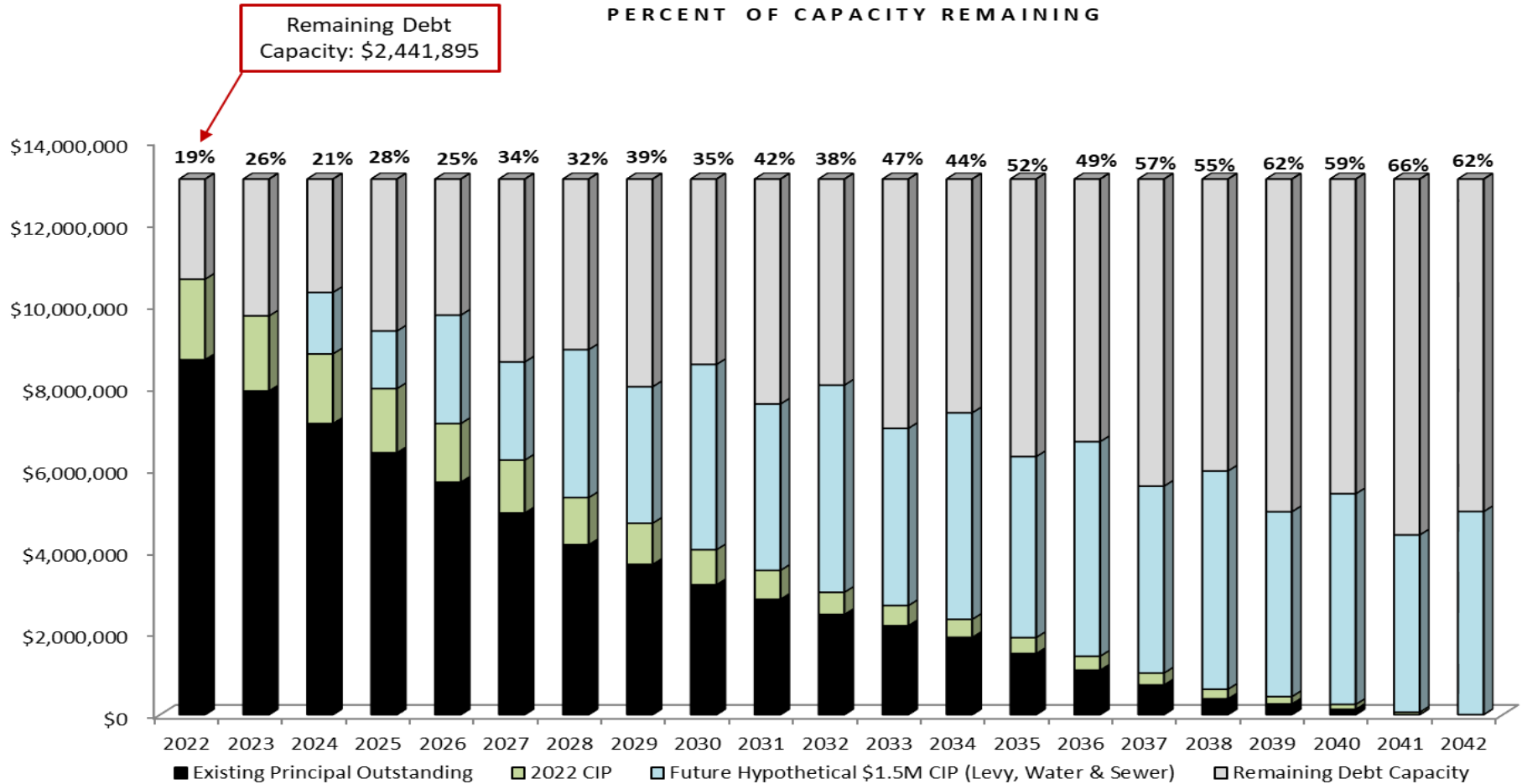
(A) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

(B) Levy: Assumes \$1,000,000 issued every other year beginning in 2024. Assumes 10 year repayment at a planning interest rate of 3.50%.

GENERAL OBLIGATION BONDING CAPACITY - ASSUMES HYPOTHETICAL CAPITAL BORROWINGS EVERY OTHER YEAR OF \$1,500,000 AMORTIZED OVER 10-20 YEARS.

**Village of Osceola
HYPOTHETICAL G.O. DEBT CAPACITY AS OF 12/31**

PERCENT OF CAPACITY REMAINING



Note: Future capacity based on 2021 Equalized Valuation (TID-IN) of \$261,336,800 with annual growth of 0.00%
 Levy: Assumes \$1,000,000 issued every other year beginning in 2024. Assumes 10 year repayment at a planning interest rate of 3.50%.
 Water & Sewer: Assumes \$500,000 (\$250k - Water & \$250k - Sewer) issued every other year beginning in 2024. Assumes 10 year repayment at a planning interest rate of 3.50%.



Projected Property Tax Impacts (After Future Hypothetical General Obligation Borrowing)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Tax Levy					
General Fund	\$ 520,884	\$ 525,812	\$ 538,494	\$ 539,188	\$ 553,718
Debt Service Fund	433,556	448,325	500,700	556,445	931,086
TID/Capital Projects Fund					
Total Village Tax Levy*	\$954,440	\$974,137	\$1,039,194	\$1,095,633	\$1,484,804
% Change		2.06%	6.68%	5.43%	35.52%
Equalized Value (TID Out)**					
	\$135,840,100	\$143,459,000	\$155,843,900	\$166,090,100	\$178,559,100
% Change		5.61%	8.63%	6.57%	7.51%
Equalized Mill Rate					
General Fund	\$ 3.83	\$ 3.67	\$ 3.46	\$ 3.25	\$ 3.10
Debt Service Fund	3.19	3.13	3.21	3.35	5.21
TID/Capital Projects Fund					
Total Equalized Mill Rate	\$7.03	\$6.79	\$6.67	\$6.60	\$8.32
% Change		-3.36%	-1.80%	-1.07%	26.06%
Equalized Value (TID In)**					
	\$164,552,200	\$175,612,500	\$187,296,700	\$197,982,500	\$218,082,400
% Change		6.72%	6.65%	5.71%	10.15%
TID					
TID Current Value **					
	\$32,808,900	\$36,250,300	\$35,549,600	\$35,989,200	\$43,620,100
% Change		10.49%	-1.93%	1.24%	21.20%
TID Value Increment **					
	\$28,712,100	\$32,153,500	\$31,452,800	\$31,892,400	\$39,523,300
% Change		11.99%	-2.18%	1.40%	23.93%
12% Equalized Value Test	17.45%	18.31%	16.79%	16.11%	18.12%
Village TID Increment Levy					
	\$201,737	\$218,334	\$209,733	\$210,382	\$328,655
% Change		8.23%	-3.94%	0.31%	56.22%
TID Increment Levy - All Taxing Entities					
	\$647,280	\$713,175	\$680,570	\$668,609	\$886,132
% Change		10.18%	-4.57%	-1.76%	32.53%
Village Tax Levy + Village TID Increment Levy					
	\$1,156,177	\$1,192,471	\$1,248,927	\$1,306,015	\$1,813,459
% Change		3.14%	4.73%	4.57%	38.85%
Assessed Value-DOR Statement of Assessment					
Assessment Ratio	1.13700901	1.045345047	0.991738921	0.930848943	0.857211286
Assessed Value **	\$ 188,393,450	\$ 183,642,400	\$ 185,424,800	\$ 184,292,050	\$ 186,944,950
% Change		-2.52%	0.97%	-0.61%	1.44%
Assessed Mill Rate					
General Fund	\$ 2.77	\$ 2.86	\$ 2.90	\$ 2.93	\$ 2.96
Debt Service Fund	2.30	2.44	2.70	3.02	4.98
TID/Capital Projects Fund					
Tax Increment	1.07	1.19	1.13	1.13	1.76
Total Assessed Mill Rate	\$6.14	\$6.49	\$6.73	\$7.08	\$9.70
% Change		5.81%	3.57%	5.22%	37.08%

	Budget Year				
	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Tax Levy					
General Fund	\$ 593,643	\$ 608,675	\$ 614,762	\$ 620,909	\$ 627,118
Debt Service Fund	960,875	930,922	930,953	932,061	931,324
TID/Capital Projects Fund					
Total Village Tax Levy*	\$1,554,518	\$1,539,597	\$1,545,715	\$1,552,970	\$1,558,442
% Change	4.70%	-0.96%	0.40%	0.47%	0.35%
Equalized Value (TID Out)**					
	\$213,304,700	\$232,090,300	\$244,972,130	\$278,215,720	\$288,648,809
% Change	19.46%	8.81%	16.82%	13.57%	3.75%
Equalized Mill Rate					
General Fund	\$ 2.78	\$ 2.62	\$ 2.51	\$ 2.23	\$ 2.17
Debt Service Fund	4.50	4.01	3.80	3.35	3.23
TID/Capital Projects Fund					
Total Equalized Mill Rate	\$7.29	\$6.63	\$6.31	\$5.58	\$5.40
% Change		-9.06%	-4.85%	-11.20%	-3.21%
Equalized Value (TID In)**					
	\$236,492,300	\$261,336,800	\$271,136,930	\$281,304,565	\$291,853,486
% Change	8.44%	10.51%	3.75%	3.75%	3.75%
TID					
TID Current Value **					
	\$26,939,400	\$32,744,200	\$33,744,200	\$7,059,980	\$7,324,729
% Change		21.55%	3.05%	-79.08%	3.75%
TID Value Increment **					
	\$23,187,600	\$25,164,800	\$26,164,800	\$3,088,845	\$3,204,677
% Change		8.53%	100.00%	-88.19%	3.75%
12% Equalized Value Test	9.80%	9.63%	9.65%	1.10%	1.10%
Village TID Increment Levy					
	\$168,986	\$194,010	\$165,094	\$17,242	\$17,302
% Change	(0)	14.81%	100.00%	-89.56%	0.35%
TID Increment Levy - All Taxing Entities					
	\$469,853	\$509,839	\$530,099	\$62,580	\$64,927
% Change	(0)	8.51%	100.00%	-88.19%	3.75%
Village Tax Levy + Village TID Increment Levy					
	\$1,723,504	\$1,733,607	\$1,710,808	\$1,570,212	\$1,575,745
% Change	(0)	0.59%	-1.32%	-8.22%	0.35%
Assessed Value-DOR Statement of Assessment					
Assessment Ratio	0.7991033	0.726063201	0.706818152	0.688083213	0.669844863
Assessed Value **	\$ 187,868,350	\$ 189,747,034	\$ 191,644,504	\$ 193,560,949	\$ 195,496,558
% Change		1.00%	1.00%	1.00%	1.00%
Assessed Mill Rate					
General Fund	\$ 3.17	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.21
Debt Service Fund	5.11	4.91	4.86	4.82	4.76
TID/Capital Projects Fund					
Tax Increment	0.90	1.02	0.86	0.09	0.09
Total Assessed Mill Rate	\$9.17	\$9.14	\$8.93	\$8.11	\$8.06
% Change		-0.41%	-2.29%	-9.13%	-0.64%

*DOR Statement of Taxes (SOT) (2015 SOT used for 2016 Actual Column etc..)

** DOR Prior Year Valuation \$ for Current Year Column (Example 2015 DOR Valuations for 2016 Actual Column etc..)

Mill Rate Comparison Analysis



Tax Increment Finance Districts & Economic Development Initiatives

Brief Explanation of TID

Tax Incremental Financing (“TIF”) is an economic development tool available to Wisconsin communities. The community administers the Tax Incremental District (“TID”), however, all taxing entities overlapping the TID benefit from the improvements the TID fosters. Those benefits include the expansion of tax base, expansion/stabilization of employment base and orderly community development/redevelopment.

A TID is comprised of geographically contiguous parcels in need of development or redevelopment. The property value of a TID is frozen at the time of creation – this frozen value is referred to as the “base value”. Overlapping taxing entities (Village, School District, County and Technical College District) continue to collect tax revenue on the base value over the life of the TID. Tax revenue on the incremental value (the “tax increment”) accrues to the TID rather than the overlapping taxing jurisdictions. TID revenues are comprised primarily of taxes collected on the incremental value but also include land sale revenue, lease revenue, certain state aid payments and investment earnings on accumulated fund balance. These revenues fund projects intended to foster economic development. Once sufficient TID revenue has been received to pay TID project costs, the TID closes and the newly created tax increment becomes a component of the total valuation of all overlapping taxing jurisdictions.

A component of the TID creation or amendment process is evaluation of the TID plan by a board comprised of one member of each of the overlapping taxing entities and an “at-large” public member. A required, key finding by this Joint Review Board in the creation of a TID is that the new development would not occur *but for* the creation of the TID. Referred to as the “but for test”, if this finding cannot be made, the development would presumably occur without TID assistance.

Challenges

TID project plans are required to include an economic feasibility analysis. A component of the analysis projects annual TID revenues compared to annual TID expenditures. A challenge facing all TIDs is the “fixed” nature of the expenditures versus the “variable” nature of the revenues. For example, TID expenditures are often funded by the issuance of debt. That debt typically has fixed payments over a long-term period (up to 20 years for General Obligation debt). The revenue stream, comprised predominantly of tax revenue, varies annually based on changes to property value in the TID and the combined equalized tax rate. As with any projection, the further into the future the projection spans, the confidence placed on subsequent years’ projections is reduced.

Additional challenges that can have had a significant impact on TID revenues include the following:

- State legislative changes
- Department of Revenue assessment practice changes
- Economic downturn that began in late 2007

EXECUTIVE SUMMARY

Tax Incremental Districts (“TIDs”) are one of the most powerful economic development tools available to municipalities. The Village of Osceola has a long history of actively using this tool to foster not only tax base growth but also blight elimination, orderly development of newly created commercial and industrial parcels and expanded employment opportunities. Osceola currently has two active TIDs (TID #2 and TID #3).

Existing TIDs

- TID #2:

TID #2 was created on August 6th, 1992, has a projected expenditure period through August 6th, 2014 and a termination date of August 6th, 2029. The District was created primarily to support redevelopment of the Village downtown and later the Aviation Industrial Park. The District was deemed “Distressed” in 2011 and was granted a 10-year extension in order to recover expenditures. Incremental value growth, that is, the increase in equalized property values, within TID #2 is over ***\$25.7 million***. This incremental value computes to 9.85% of the Villages equalized value which does not exceed the 12% value limit. As a result, the Village could create a new TID or amend boundaries of any existing TIDs until the capacity is over the 12% limit.

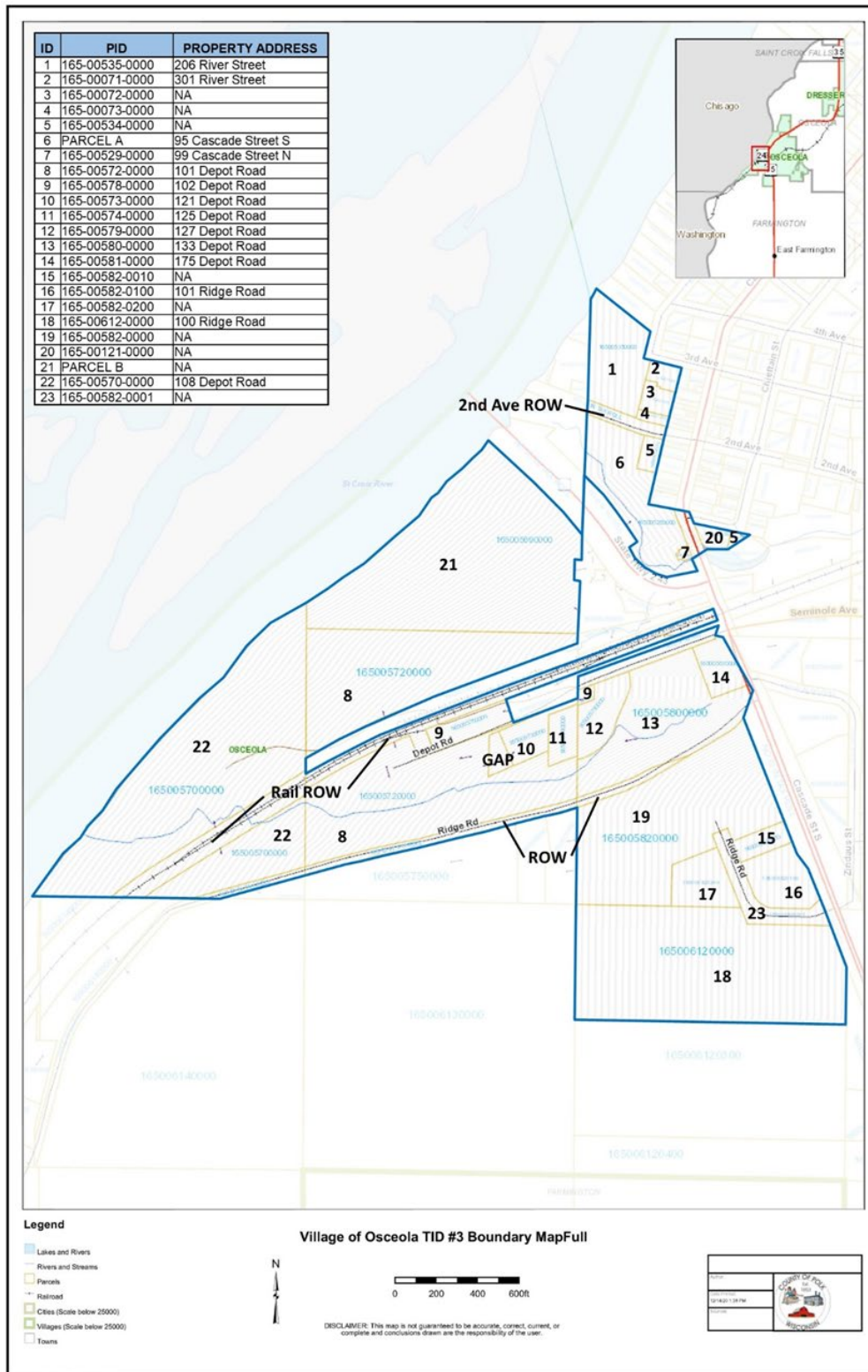
TID #2 currently has a negative fund balance of \$820,705 per the 2019 audit.

The Village plans to close TID #2 in 2021-22 where all expected expenditures will be recovered and the projected cumulative balance within TID #2 may be \$1,657,910. Remaining surplus funds will be returned to all taxing jurisdictions.

- TID #3:

TID #3 was created on September 23rd, 2020, has a projected expenditure period through September 23rd, 2035 and a termination date of September 23rd, 2040. The District was created with the intent to address the redevelopment of infrastructure and underused areas in the heart of Osceola. The TID Project Plan includes infrastructure improvements to encourage growth, improved access to local businesses and amenities, transportation enhancements and potential incentives. Incremental value growth, that is, the increase in equalized property values, within TID #3 is **\$3.5 million** as it was created in 2020. This incremental value computes to 1.34% of the Villages equalized value which does not exceed the 12% value limit. As a result, the Village could create a new TID or amend boundaries of any existing TIDs until the capacity is over the 12% limit.

In 2021, the Village anticipates final completion of a new gas station final valuations. The Village also anticipates continued business and residential growth in the TID. These multi-year projects will create a positive increment and provide cash flow the Project Plan.





TID #2 SUMMARY

TID302WI

2021 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

Date: 08/10/21
 Page: 907 of 1372

County 48 Polk
 Village 165 Osceola
 TID # 002 TID Type - Reg pre-95 D
 School District 4165 Sch D of Osceola

Special District - 1 None
 Special District - 2 None
 Special District - 3 None
 Union High None

Current Year Value

	Assessed Value *	Ratio	DOR Full Value	Amended Full Value **	Final Full Value
Non-Manufacturing Real Estate and Personal Property	\$15,073,600	72.54%	\$20,779,700		\$20,779,700
Manufacturing Real Estate			\$7,669,500		\$7,669,500
Manufacturing Personal Property			\$852,100		\$852,100
Prior Year Corrections:					
Non-Manufacturing Real Estate and Personal Property			\$184,000		\$184,000
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Frozen Overlap Value					\$0
Current Year TID Value					
					\$29,485,300
1992 TID Base Value					
					\$3,751,800
TID Increment Value					
					\$25,733,500

* Municipal Assessor's estimated values filed on 06/11/2021
 ** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

2020 TID Value	2021 TID Value	Dollar Change	% Change
\$26,939,400	\$29,485,300	\$2,545,900	9



TID 2 CASHFLOW PROFORMA – CURRENT STATUS

Assumptions	
Annual Inflation During Life of TID.....	0.00%
2020 Gross Tax Rate (per \$1000 Equalized Value).....	\$20.26
Investment rate.....	0.25%
Data above dashed line are actual	

DSRF Deposit: \$197,500

Year	Background Data					Revenues					Expenditures			TID Status			Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	
	TIF District Valuation	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Computer Aid	Investment Proceeds	DSRF Revenue	Total Revenues	Total Existing Debt Service	Administrative Expenses	Combined Expenditures	Annual Balance	Year End Cumulative Balance	Cost Recovery	
	<i>(January 1)</i>													<i>(December 31)</i>			
	Base Value \$3,751,800										(1)						
2016	\$19,931,000			\$16,690,700	\$22.18												2016
2017	\$20,442,500			\$16,910,700	\$21.64												2017
2018	\$20,662,500			\$23,256,900	\$20.96												2018
2019	\$27,008,700			\$23,187,600	\$22.42												2019
2020	\$26,939,400	\$0		\$25,733,500	\$20.26	\$521,432	\$5,387	\$2,052	\$197,994	\$726,864	\$637,388	\$15,000	\$652,388	\$74,477	<u>\$820,705</u> \$895,182	Expenditures Recovered	2020
2021	\$29,485,300	\$0		\$25,733,500	\$20.26	\$469,853	\$5,387	\$2,238		\$477,478	\$109,725	\$14,200	\$123,925	\$353,553	\$1,248,735	Expenditures Recovered	2021
2022	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$3,122		\$529,950	\$106,575	\$14,200	\$120,775	\$409,175	\$1,657,910	Expenditures Recovered	2022
2023	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$4,145		\$530,973		\$14,200	\$14,200	\$516,773	\$2,174,683	Expenditures Recovered	2023
2024	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$5,437		\$532,265		\$14,200	\$14,200	\$518,065	\$2,692,748	Expenditures Recovered	2024
2025	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$6,732		\$533,560		\$14,200	\$14,200	\$519,360	\$3,212,108	Expenditures Recovered	2025
2026	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$8,030		\$534,858		\$14,200	\$14,200	\$520,658	\$3,732,766	Expenditures Recovered	2026
2027	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$9,332		\$536,160		\$14,200	\$14,200	\$521,960	\$4,254,726	Expenditures Recovered	2027
2028	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$10,637		\$537,465		\$14,200	\$14,200	\$523,265	\$4,777,991	Expenditures Recovered	2028
2029	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$11,945		\$538,773		\$14,200	\$14,200	\$524,573	\$5,302,564	Expenditures Recovered	2029
2030	\$29,485,300	\$0		\$25,733,500	\$20.26	\$521,441	\$5,387	\$13,256		\$540,085		\$14,201	\$14,201	\$525,884	\$5,828,448	Expenditures Recovered	2030
		\$0		\$2,545,900		\$5,684,255	\$59,257	\$76,925	\$197,994	\$6,018,431	\$853,688	\$157,001	\$1,010,689				

Type of TID: Industrial

1992 TID Inception (8/6/1992)

2014 Final Year to Incur TIF Related Costs

2029 Maximum Legal Life of TID (27 Years + 10 Years as Distressed)

(1) Includes RDA and General Obligation debt supported by TID#2.



TID #3 SUMMARY

TID302WI

2021 Statement of Changes in TID Value
Wisconsin Department of Revenue
Equalization Bureau

Date: 08/10/21
Page: 908 of 1372

County 48 Polk
Village 165 Osceola
TID # 003 TID Type - Mixed-Use
School District 4165 Sch D of Osceola

Special District - 1 None
Special District - 2 None
Special District - 3 None
Union High None

Current Year Value

	Assessed Value *	Ratio	DOR Full Value	Amended Full Value **	Final Full Value
Non-Manufacturing Real Estate and Personal Property	\$4,925,300	72.54%	\$6,789,800		\$6,789,800
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Prior Year Corrections:					
Non-Manufacturing Real Estate and Personal Property			\$0		\$0
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Frozen Overlap Value					\$0
Current Year TID Value					\$6,789,800
2020 TID Base Value					\$3,276,800
TID Increment Value					\$3,513,000

* Municipal Assessor's estimated values filed on 06/11/2021
** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

2020 TID Value	2021 TID Value	Dollar Change	% Change
\$3,276,800	\$6,789,800	\$3,513,000	107



TID 3 CASHFLOW PROFORMA – CURRENT STATUS

Assumptions	
Annual Inflation During Life of TID.....	1.00%
2020 Gross Tax Rate (per \$1000 Equalized Value).....	\$20.26
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.25%

Year	Background Data					Revenues			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	TIF District Valuation (January 1)	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Investment Proceeds	Land Sales	Total Revenues
	Base Value \$3,276,800								
2020	\$3,276,800			\$3,513,000	\$20.26	\$0	\$0	\$250,000	\$250,000
2021	\$6,789,800	\$67,898	\$2,500,000	\$6,080,898	\$20.26	\$0	\$625	\$175,000	\$175,625
2022	\$9,357,698	\$93,577	\$7,500,000	\$13,674,475	\$20.26	\$71,184	\$1,002		\$72,186
2023	\$16,951,275	\$169,513	\$5,000,000	\$18,843,988	\$20.26	\$123,218	\$1,120		\$124,338
2024	\$22,120,788	\$221,208	\$2,500,000	\$21,565,196	\$20.26	\$277,088	\$1,104		\$278,191
2025	\$24,841,996	\$248,420	\$2,500,000	\$24,313,616	\$20.26	\$381,838	\$380		\$382,218
2026	\$27,590,416	\$275,904		\$24,589,520	\$20.26	\$436,978	\$165		\$437,144
2027	\$27,866,320	\$278,663		\$24,868,183	\$20.26	\$492,670	\$105		\$492,774
2028	\$28,144,983	\$281,450		\$25,149,633	\$20.26	\$498,261	\$69		\$498,329
2029	\$28,426,433	\$284,264		\$25,433,897	\$20.26	\$503,907	\$39		\$503,946
2030	\$28,710,697	\$287,107		\$25,721,004	\$20.26	\$509,610	\$15		\$509,625
2031	\$28,997,804	\$289,978		\$26,010,982	\$20.26	\$515,370	\$0		\$515,370
2032	\$29,287,782	\$292,878		\$26,303,860	\$20.26	\$521,188	\$0		\$521,188
2033	\$29,580,660	\$295,807		\$26,599,667	\$20.26	\$527,064	\$0		\$527,064
2034	\$29,876,467	\$298,765		\$26,898,431	\$20.26	\$532,998	\$0		\$532,998
2035	\$30,175,231	\$301,752		\$27,200,183	\$20.26	\$538,992	\$0		\$538,992
2036	\$30,476,983	\$304,770		\$27,504,953	\$20.26	\$545,046	\$0		\$545,046
2037	\$30,781,753	\$307,818		\$27,812,771	\$20.26	\$551,161	\$19		\$551,180
2038	\$31,089,571	\$310,896		\$28,123,667	\$20.26	\$557,336	\$44		\$557,381
2039	\$31,400,467	\$314,005		\$28,437,671	\$20.26	\$563,574	\$76		\$563,650
2040					\$20.26	\$569,873	\$114		\$569,987
2041						\$576,236	\$156		\$576,392
		\$4,924,671	\$20,000,000			\$9,293,593	\$5,032	\$425,000	\$9,723,625

Type of TID: Mixed-Use
 2020 TID Inception (9/23/2020)
 2035 Final Year to Incur TIF Related Costs
 2040 Maximum Legal Life of TID (20 Years)

(1) Increment per Village estimates.



TID 3 CASHFLOW PROFORMA – CURRENT STATUS (CONT.)

PRELIMINARY - Infrastructure/Park \$4,765,000 NAN Dated June 1, 2021 Callable June 1, 2022		PRELIMINARY - Infrastructure/Park \$4,765,000 GO Refunding Bonds Dated June 1, 2023 TBD				Example Developer Grant \$2,000,000 Developer Outlay / Repayment Beginning December 1, 2023					TID Status				
Amount for Projects.....	\$4,500,000	Amount for NAN Payoff.....	\$4,765,000	Developer Outlay...	\$2,000,000										
COI (est.).....	\$25,000	Cost of Issuance.....	\$110,000	Total Int. Due to Develo	\$0										
Less: Assumed Premium...	\$0	Assumed Premium.....	(\$110,000)	Total Pmts to Developer	\$2,000,000										
Capitalized Interest.....	\$238,250	Capitalized Interest.....	\$0												
Rounding.....	\$1,750	Rounding.....	\$0												
Expenditures											TID Status				
Year	(j) Interest (6/1 & 12/1) Rate= 2.50%	(k) Principal (6/1)	(l) Interest (6/1 & 12/1) Rate= 3.75%	(m) Debt Service	(n) Annual (Shortfall) / Surplus	(o) Net Revenues Allocable to Developer 85%	(p) Annual (Shortfall)/ Surplus	(q) Balance Due to Developer	(r) Payment to Developer	(s) Administrative Organizational Expenses	(t) Combined Expenditures	(u) Annual Balance	(v) Year End Cumulative Balance (December 31)	(w) Cost Recovery	Year
2020												\$250,000	\$250,000		2020
2021										\$25,000	\$25,000	\$150,625	\$400,625		2021
2022	\$178,688									\$25,000	\$25,000	\$47,186	\$447,811		2022
2023	\$59,563				\$124,338	\$105,687	(\$1,894,313)	(\$1,894,313)	\$105,687	\$25,000	\$130,687	(\$6,349)	\$441,462		2023
2024		\$280,000	\$262,781	\$542,781	\$0	\$0	\$0	(\$1,894,313)	\$0	\$25,000	\$567,781	(\$289,590)	\$151,872		2024
2025		\$280,000	\$162,938	\$442,938	\$0	\$0	\$0	(\$1,894,313)	\$0	\$25,000	\$467,938	(\$85,720)	\$66,152		2025
2026		\$280,000	\$152,438	\$432,438	\$4,706	\$4,000	\$4,000	(\$1,890,313)	\$4,000	\$25,000	\$461,438	(\$24,294)	\$41,858		2026
2027		\$280,000	\$141,938	\$421,938	\$70,837	\$60,211	\$60,211	(\$1,830,101)	\$60,211	\$25,000	\$507,149	(\$14,374)	\$27,483		2027
2028		\$280,000	\$131,438	\$411,438	\$86,892	\$73,858	\$73,858	(\$1,756,243)	\$73,858	\$25,000	\$510,295	(\$11,966)	\$15,517		2028
2029		\$280,000	\$120,938	\$400,938	\$103,008	\$87,557	\$87,557	(\$1,668,686)	\$87,557	\$25,000	\$513,495	(\$9,549)	\$5,968		2029
2030		\$280,000	\$110,438	\$390,438	\$119,188	\$101,309	\$101,309	(\$1,567,377)	\$101,309	\$25,000	\$516,747	(\$7,122)	(\$1,154)		2030
2031		\$280,000	\$99,938	\$379,938	\$135,433	\$115,118	\$115,118	(\$1,452,259)	\$115,118	\$25,000	\$520,055	(\$4,685)	(\$5,839)		2031
2032		\$280,000	\$89,438	\$369,438	\$151,750	\$128,988	\$128,988	(\$1,323,271)	\$128,988	\$25,000	\$523,425	(\$2,237)	(\$8,076)		2032
2033		\$280,000	\$78,938	\$358,938	\$168,126	\$142,907	\$142,907	(\$1,180,364)	\$142,907	\$25,000	\$526,845	\$219	(\$7,857)		2033
2034		\$280,000	\$68,438	\$348,438	\$184,561	\$156,877	\$156,877	(\$1,023,487)	\$156,877	\$25,000	\$530,314	\$2,684	(\$5,173)		2034
2035		\$280,000	\$57,938	\$337,938	\$201,055	\$170,897	\$170,897	(\$852,590)	\$170,897	\$25,000	\$533,834	\$5,158	(\$15)		2035
2036		\$280,000	\$47,438	\$327,438	\$217,609	\$184,967	\$184,967	(\$667,623)	\$184,967	\$25,000	\$537,405	\$7,641	\$7,627		2036
2037		\$280,000	\$36,938	\$316,938	\$234,242	\$199,106	\$199,106	(\$468,517)	\$199,106	\$25,000	\$541,043	\$10,136	\$17,763		2037
2038		\$280,000	\$26,438	\$306,438	\$250,943	\$213,302	\$213,302	(\$255,215)	\$213,302	\$25,000	\$544,739	\$12,641	\$30,404		2038
2039		\$280,000	\$15,938	\$295,938	\$267,712	\$227,555	\$227,555	(\$27,660)	\$227,555	\$25,000	\$548,493	\$15,157	\$45,561		2039
2040		\$285,000	\$5,344	\$290,344	\$279,644	\$237,697	\$237,697	\$210,037	\$237,697	\$25,000	\$553,041	\$16,947	\$62,508	Expenditures Recovered	2040
2041					\$576,392	\$489,934	(\$210,037)	\$0	(\$210,037)		(\$210,037)	\$786,429	\$848,937	Expenditures Recovered	2041
		\$4,765,000	\$1,609,688	\$6,374,688	\$3,176,436	\$2,699,971	\$0	\$0	\$2,000,000	\$500,000	\$8,874,688				



Current Financial Position of Water Utility

WATER UTILITY DEBT SCHEDULES

CALENDAR YEAR					Junior Lien							
	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (5/1)	RATE	INTEREST (5/1 & 11/1)	TOTAL	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL
2021	\$5,000	5.000%	\$18,000	\$23,000	\$7,836	2.668%	\$1,991	\$9,827	\$145,000	3.400%	\$4,930	\$149,930
2022	\$175,000	5.000%	\$17,750	\$192,750	\$8,045	2.668%	\$1,779	\$9,825				
2023	\$180,000	5.000%	\$9,000	\$189,000	\$8,260	2.668%	\$1,562	\$9,822				
2024					\$8,480	2.668%	\$1,338	\$9,819				
2025					\$8,707	2.668%	\$1,109	\$9,816				
2026					\$8,939	2.668%	\$874	\$9,813				
2027					\$9,177	2.668%	\$632	\$9,809				
2028					\$9,422	2.668%	\$384	\$9,806				
2029					\$9,674	2.668%	\$129	\$9,803				
TOTAL	\$360,000		\$44,750	\$404,750	\$78,542		\$9,797	\$88,339	\$145,000		\$4,930	\$149,930

Callable Maturities

Project: 5203-04

CR of 12/1/2001 Bonds
Moody's Baa2
Associated Trust Fiscal Agent
DSRF: \$178,560



WATER UTILITY DEBT SCHEDULES (CONTINUED)

Junior Lien	
Issue:	4
Amount:	\$257,600
Type:	Water System & Sewerage System Revenue Bonds, Series 2013
Dated:	July 11, 2013
Callable:	Any Date

CALENDAR YEAR					COMBINED DEBT SERVICE		
	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL	INTEREST	TOTAL
2021	\$420	1.700%	\$1,800	\$2,220	\$158,256	\$26,721	\$184,977
2022	\$420	1.700%	\$1,793	\$2,213	\$183,465	\$21,322	\$204,787
2023	\$420	1.700%	\$1,786	\$2,206	\$188,680	\$12,347	\$201,027
2024	\$420	1.700%	\$1,783	\$2,203	\$8,900	\$3,122	\$12,022
2025	\$420	1.700%	\$1,771	\$2,191	\$9,127	\$2,880	\$12,007
2026	\$420	1.700%	\$1,764	\$2,184	\$9,359	\$2,638	\$11,997
2027	\$420	1.700%	\$1,757	\$2,177	\$9,597	\$2,389	\$11,987
2028	\$102,940	1.700%	\$1,755	\$104,695	\$112,362	\$2,139	\$114,501
2029					\$9,674	\$129	\$9,803
TOTAL	\$105,880		\$14,209	\$120,089	\$689,422	\$73,687	\$763,108

**Callable
Maturities**

WATER UTILITY COVERAGE ANALYSIS

Combined Statement of Revenues

Water Coverage Table

	Provided by Village (2)			Audited Financials					
	2022 Projected	2021 Projected	2020 Projected	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
OPERATING REVENUES									
Water Operating revenues	\$629,017	\$629,017	\$629,017	\$629,017	\$579,461	\$551,026	\$541,393	\$541,289	\$561,789
Water Investment income	\$4,161	\$4,161	\$4,161	\$4,161	\$3,217	\$2,602	\$2,434	\$2,392	\$7,736
TOTAL OPERATING REVENUES	\$633,178	\$633,178	\$633,178	\$633,178	\$582,678	\$553,628	\$543,827	\$543,681	\$569,525
OPERATING EXPENSES ⁽¹⁾									
Water Operating expenses	\$278,740	\$278,740	\$278,740	\$278,740	\$258,536	\$233,448	\$243,648	\$223,811	\$298,524
TOTAL OPERATING EXPENSES	\$278,740	\$278,740	\$278,740	\$278,740	\$258,536	\$233,448	\$243,648	\$223,811	\$298,524
Net Revenues Available for Debt Service	\$354,438	\$354,438	\$354,438	\$354,438	\$324,142	\$320,180	\$300,179	\$319,870	\$271,001
DSRF from 2011 Water Revenue Bonds	\$196,900								
Net Revenues Available for Debt Service (Combined)	\$551,338	\$354,438	\$354,438	\$354,438	\$324,142	\$320,180	\$300,179	\$319,870	\$271,001
Annual Rate Covenant Test									
Annual GO & Revenue Bond Debt Service	\$434,103	\$227,225							
Coverage Ratio	1.27	1.56							

(1) Less depreciation, debt service, tax equivalents and capital expenditures

(2) Assumes future projections are flat from 2020-2022.



Current Financial Position of Sewer Utility

SEWER UTILITY DEBT SCHEDULES

CALENDAR YEAR	Junior Lien				Junior Lien				COMBINED DEBT SERVICE		
	PRINCIPAL (5/1)	RATE	INTEREST (5/1 & 11/1)	TOTAL	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL	INTEREST	TOTAL
2021	\$338,390	2.429%	\$39,033	\$377,423	\$580	1.700%	\$2,477	\$3,057	\$338,970	\$41,511	\$380,480
2022	\$346,609	2.429%	\$30,714	\$377,323	\$580	1.700%	\$2,467	\$3,047	\$347,189	\$33,181	\$380,371
2023	\$355,028	2.429%	\$22,193	\$377,221	\$580	1.700%	\$2,458	\$3,038	\$355,608	\$24,650	\$380,259
2024	\$363,652	2.429%	\$13,464	\$377,116	\$580	1.700%	\$2,454	\$3,034	\$364,232	\$15,919	\$380,151
2025	\$372,485	2.429%	\$4,524	\$377,009	\$580	1.700%	\$2,438	\$3,018	\$373,065	\$6,962	\$380,027
2026					\$580	1.700%	\$2,428	\$3,008	\$580	\$2,428	\$3,008
2027					\$580	1.700%	\$2,418	\$2,998	\$580	\$2,418	\$2,998
2028					\$141,660	1.700%	\$2,415	\$144,075	\$141,660	\$2,415	\$144,075
TOTAL	\$1,776,165		\$109,928	\$1,886,093	\$145,720		\$19,555	\$165,275	\$1,921,885	\$129,483	\$2,051,368

Project: 4180-06

Junior Lien Basis

Callable Maturities

SEWER UTILITY COVERAGE ANALYSIS

Combined Statement of Revenues

Sewer System Coverage Table

	Provided by Village (2)			Audited Financials					
	2022 Projected	2021 Projected	2020 Projected	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
OPERATING REVENUES									
Sewer Operating revenues	\$1,260,273	\$1,260,273	\$1,260,273	\$1,260,273	\$1,068,129	\$1,071,815	\$1,038,463	\$1,006,464	\$987,473
Sewer Investment income	\$144	\$144	\$144	\$144	\$143	\$141	\$200	\$1,501	\$4,474
TOTAL OPERATING REVENUES	\$1,260,417	\$1,260,417	\$1,260,417	\$1,260,417	\$1,068,272	\$1,071,956	\$1,038,663	\$1,007,965	\$991,947
OPERATING EXPENSES ⁽¹⁾									
Sewer Operating expenses	\$492,518	\$492,518	\$492,518	\$492,518	\$506,067	\$444,239	\$450,381	\$426,883	\$416,934
TOTAL OPERATING EXPENSES	\$492,518	\$492,518	\$492,518	\$492,518	\$506,067	\$444,239	\$450,381	\$426,883	\$416,934
Net Revenues Available for Debt Service (Sewer)	\$767,899	\$767,899	\$767,899	\$767,899	\$562,205	\$627,717	\$588,282	\$581,082	\$575,013

Annual Rate Covenant Test

Annual GO & Revenue Bond Debt Service	\$597,531	\$596,990
Coverage Ratio	1.29	1.29

(1) Less depreciation, debt service, tax equivalents and capital expenditures

(2) Assumes future projections are flat from 2020-2022.



WATER & SEWER CAPITAL FINANCE PLAN (UPDATED ANNUALLY IN COLLABORATION WITH VILLAGE OFFICIALS) - ASSUMES HYPOTHETICAL CAPITAL BORROWINGS EVERY OTHER YEAR OF \$500,000 AMORTIZED OVER 20 YEARS STARTING IN 2024

LEVY YEAR	YEAR DUE	EXISTING G.O. WATER & SEWER DEBT		EXISTING REVENUE WATER & SEWER DEBT		\$545,000 (Sewer) / \$350,000 (Water) WATER & SEWER SUPPORTED			YEAR DUE
		EXISTING G.O. DEBT SERVICE <i>(Water Supported)</i>	EXISTING G.O. DEBT SERVICE <i>(Sewer Supported)</i>	EXISTING REVENUE DEBT SERVICE <i>(Water Supported)</i>	EXISTING REVENUE DEBT SERVICE <i>(Sewer Supported)</i>	\$930,000 G.O. BONDS <i>Dated June 1, 2022</i> <i>(First interest 6/1/23)</i>			
						PRINCIPAL (6/1)	INTEREST (6/1 & 12/1) TIC= 2.67%	TOTAL	
2021	2022	\$229,316	\$217,160	\$204,787	\$380,371				2022
2022	2023	\$2,320	\$217,510	\$201,027	\$380,259	\$25,000	\$39,465	\$64,465	2023
2023	2024	\$2,320	\$216,110	\$12,022	\$380,151	\$35,000	\$25,285	\$60,285	2024
2024	2025	\$2,320	\$214,510	\$12,007	\$380,027	\$40,000	\$24,160	\$64,160	2025
2025	2026	\$2,320	\$322,710	\$11,997	\$3,008	\$40,000	\$22,960	\$62,960	2026
2026	2027	\$2,320	\$326,310	\$11,987	\$2,998	\$40,000	\$21,760	\$61,760	2027
2027	2028	\$7,245	\$324,310	\$114,501	\$144,075	\$40,000	\$20,560	\$60,560	2028
2028	2029	\$7,115	\$1,910	\$9,803		\$40,000	\$19,360	\$59,360	2029
2029	2030	\$7,005	\$6,855			\$40,000	\$18,200	\$58,200	2030
2030	2031	\$6,875	\$6,725			\$40,000	\$17,080	\$57,080	2031
2031	2032	\$11,650	\$6,575			\$50,000	\$15,820	\$65,820	2032
2032	2033	\$11,350	\$11,350			\$50,000	\$14,420	\$64,420	2033
2033	2034	\$11,050	\$11,050			\$50,000	\$13,020	\$63,020	2034
2034	2035	\$10,750	\$10,750			\$50,000	\$11,620	\$61,620	2035
2035	2036	\$10,450	\$10,450			\$50,000	\$10,220	\$60,220	2036
2036	2037	\$10,150	\$10,150			\$50,000	\$8,820	\$58,820	2037
2037	2038					\$55,000	\$7,350	\$62,350	2038
2038	2039					\$55,000	\$5,810	\$60,810	2039
2039	2040					\$60,000	\$4,200	\$64,200	2040
2040	2041					\$60,000	\$2,520	\$62,520	2041
2041	2042					\$60,000	\$840	\$60,840	2042
2042	2043								2043
		\$334,556	\$1,914,435	\$578,131	\$1,670,887	\$930,000	\$303,470	\$1,233,470	

(A) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.
 (B) Water: Assumes \$250,000 issued every other year beginning in 2024. Assumes 10 year repayment at a planning interest rate of 3.50%.
 (C) Sewer: Assumes \$250,000 issued every other year beginning in 2024. Assumes 10 year repayment at a planning interest rate of 3.50%.
 (D) Sewer: Assumes \$1.2M CWFL issued in 2023 with a 20 year repayment at a planning interest rate of 0.891%.
 (E) Debt service coverage based on 2019 net revenues.

	2019 Actual - Total	2019 Actual - Water	2019 Actual - Sewer
Gross Revenues:	\$1,893,595	\$633,178	\$1,260,417
Less: O&M:	\$771,258	\$278,740	\$492,518
Net Revenues:	\$1,122,337	\$354,438	\$767,899



WATER & SEWER CAPITAL FINANCE PLAN (UPDATED ANNUALLY IN COLLABORATION WITH VILLAGE OFFICIALS) - CONTINUED

YEAR DUE	FUTURE G.O. & REVENUE WATER & SEWER DEBT			COMBINED G.O. & REVENUE WATER & SEWER DEBT (AFTER FUTURE & NEW)		COMBINED G.O. & REVENUE WATER & SEWER D/S COVERAGE (AFTER FUTURE & NEW)		YEAR DUE	
	G.O. HYPOTHETICAL FUTURE BORROWINGS (Water Supported) (A) (B)	G.O. HYPOTHETICAL FUTURE BORROWINGS (Sewer Supported) (A) (C)	REVENUE HYPOTHETICAL FUTURE BORROWING (Sewer Supported) (A) (D)	TOTAL COMBINED REV. & G.O. SERVICE (Water Supported)	TOTAL COMBINED REV. & G.O. SERVICE (Sewer Supported) (A) (D)	TOTAL COMBINED D/S COVERAGE (Water Supported) (E)	TOTAL COMBINED D/S COVERAGE (Sewer Supported) (E)		
2022	\$0	\$0	\$0	*	\$434,103	\$597,531	*	0.82	2022
2023	\$0	\$0	\$0	*	\$228,827	\$636,754	*	1.55	2023
2024	\$0	\$0	\$65,795	*	\$39,237	\$697,445	*	9.03	2024
2025	\$27,863	\$27,863	\$65,795	*	\$66,635	\$727,909	*	5.32	2025
2026	\$27,875	\$27,875	\$65,795	*	\$66,187	\$458,353	*	5.36	2026
2027	\$59,950	\$59,950	\$65,795	*	\$97,802	\$493,268	*	3.62	2027
2028	\$59,088	\$59,088	\$65,795	*	\$203,928	\$630,732	*	1.74	2028
2029	\$90,288	\$90,288	\$65,795	*	\$129,850	\$194,707	*	2.73	2029
2030	\$88,550	\$88,550	\$65,795	*	\$117,765	\$197,190	*	3.01	2030
2031	\$118,875	\$118,875	\$65,795	*	\$147,540	\$226,685	*	2.40	2031
2032	\$121,175	\$121,175	\$65,795	*	\$159,125	\$233,065	*	2.23	2032
2033	\$150,450	\$150,450	\$65,795	*	\$187,540	\$266,275	*	1.89	2033
2034	\$151,700	\$151,700	\$65,795	*	\$187,930	\$266,385	*	1.89	2034
2035	\$150,450	\$150,450	\$65,795	*	\$185,820	\$263,995	*	1.91	2035
2036	\$151,700	\$151,700	\$65,795	*	\$186,210	\$264,105	*	1.90	2036
2037	\$150,450	\$150,450	\$65,795	*	\$184,100	\$261,715	*	1.93	2037
2038	\$151,700	\$151,700	\$65,795	*	\$174,640	\$256,905	*	2.03	2038
2039	\$150,450	\$150,450	\$65,795	*	\$172,830	\$254,675	*	2.05	2039
2040	\$151,700	\$151,700	\$65,795	*	\$178,450	\$254,945	*	1.99	2040
2041	\$150,450	\$150,450	\$65,795	*	\$176,500	\$252,715	*	2.01	2041
2042	\$151,700	\$151,700	\$65,795	*	\$177,050	\$252,985	*	2.00	2042
2043	\$150,450	\$150,450	\$65,795	*	\$150,450	\$216,245	*	2.36	2043
	<u>\$2,254,863</u>	<u>\$2,254,863</u>	<u>\$1,315,896</u>	*	<u>\$3,652,519</u>	<u>\$7,904,581</u>	*		

Review Policies & Observations

Fund Balance Policy: The fund balance shall not be less than 30% of the budgeted general fund appropriations. Any excess shall be allocated each year by the Village Board. Developed in 2011

General Observations

- The Village had very limited general obligation debt capacity available, but with strategic decisions, the Village continues to increase their capacity yearly. All borrowing plans should be weighed against this metric.
- The Village should consider utility rate increases in both the water & sewer utilities. Increased user rates will give the Village flexibility to finance appropriate projects with a pledge of Utility revenues.
- Future TID projects should be developer financed (“PAY – Go”) revenue bonds when possible. This will alleviate the burden on debt capacity.
- TID projects should be paid off as quickly as practical.
- The Village should continue to focus on restoring General Fund Balance Reserves

TID #3 Observations

- Initial investments in TID #3 should be financed with short-term (3-5 year) notes with flexible repayment provisions.
- The Village should borrow (capitalize) the interest cost for the first 2 years of the borrowing to eliminate the need for a subsidy from the general fund.
- “Pay-Go” revenue bonds should be considered when appropriate. The increased cost to the TID should be evaluated against the need for debt capacity for General Fund (non- TID) projects.

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