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

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

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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2017

VILLAGE OF HARTLAND, WISCONSIN
(Waukesha County)

$5,695,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2017A

BID OPENING: November 13, 2017, 10:00 A.M., C.T. **CONSIDERATION**: November 13, 2017, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $5,695,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Bonds") of the Village of Hartland, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects; sewerage projects consisting of storm water projects; parks and public grounds projects; parking lot projects; and to refund certain obligations of the Village. The Bonds are valid and binding general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: December 5, 2017

MATURITY: November 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2018	$85,000	2025	$400,000	2032	$175,000
2019	375,000	2026	395,000	2033	175,000
2020	375,000	2027	395,000	2034	170,000
2021	410,000	2028	390,000	2035	170,000
2022	365,000	2029	360,000	2036	170,000
2023	360,000	2030	175,000	2037	170,000
2024	405,000	2031	175,000		

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

TERM BONDS: See "Term Bond Option" herein.

INTEREST: May 1, 2018 and semiannually thereafter.

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

MINIMUM BID: $5,623,813.

MAXIMUM BID: $6,036,700.

GOOD FAITH DEPOSIT: A cashier's check in the amount of $113,900 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: To be determined.

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

This Preliminary Official Statement and the information contained herein is deemed by the Issuer to be final as of the date hereof for purposes of SEC Rule 15c2-12(b)(1), except for the omission of certain information described in the rule, but is subject to revision, completion or amendment in a Final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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BID FORM

BOARD OF TRUSTEES

		Term Expires
Jeffrey Pfannerstill	President	April 2019
Karen Compton	Board Member	April 2018
Richard Landwehr	Board Member	April 2019
Michael C. Meyers	Board Member	April 2018
Rick Stevens	Board Member	April 2018
Randy Swenson	Board Member	April 2019
Ann Wallschlager	Board Member	April 2019

ADMINISTRATION

David Cox, Village Administrator
Ryan Bailey, Finance Director/Treasurer
Darlene Igl, Village Clerk

PROFESSIONAL SERVICES

Hector de la Mora, von Briesen & Roper, s. c., Village Attorney, Hartland, Wisconsin

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

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

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the Village of Hartland, Wisconsin (the "Village") and the issuance of its $5,695,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds (the "Award Resolution") to be adopted by the Board of Trustees on November 13, 2017.

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

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 5, 2017. The Bonds will mature on November 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2018, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

OPTIONAL REDEMPTION

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

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

* Preliminary, subject to change.

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects; sewerage projects consisting of storm water projects; parks and public grounds projects; parking lot projects; and to current refund certain obligations of the Village as follows:

Issue Being Refunded	**Date of Refunded Issue**	**Call Date**	**Call Price**	**Maturities Being Refunded**	**Interest Rate**	**Principal to be Refunded**	**CUSIP base 416863**
General Obligation Refunding Bonds (the "2009 Bonds")	2/3/09	2/1/18	100%	2019	3.250%	$175,000	KR8
				2021	3.600%	350,000	KT4
				2023	3.750%	350,000	KV9
				2025	4.000%	450,000	KX5
				2027	4.000%	450,000	KZ0
				2029	4.125%	425,000	LB2
Total principal being refunded						**$2,200,000**	

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	$5,695,000	
Interest Earnings	8,309	
Total Sources		**$5,703,309**
Uses		
Project Costs	$3,323,600	
Contingency	2,675	
Estimated Underwriter's Discount	71,187	
Finance Related Expenses	63,375	
Deposit to Current Refunding Fund	2,242,472	
Total Uses		**$5,703,309**

* Preliminary, subject to change.

SECURITY

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

RATING

General obligation debt of the Village is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The Village has requested a rating on this issue from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the Village shall covenant to take certain actions pursuant to the Award Resolution adopted by the Board of Trustees by entering into a Continuing Disclosure Certificate (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the Village to provide, electronically or in the manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the Village at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule.

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

The Village will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org. Ehlers is currently engaged as disclosure dissemination agent for the Village.

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

The basic financial statements of the Village for the fiscal year ended December 31, 2016, have been audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

2017 Equalized Value	$1,288,968,100
2017 Equalized Value Reduced by Tax Increment Valuation	$1,282,723,800
2017 Assessed Value	$1,220,238,000

2017 EQUALIZED VALUE BY CLASSIFICATION

	2017 Equalized Value[1]	Percent of Total Equalized Value
Residential	$873,277,200	67.750%
Commercial	312,233,900	24.224%
Manufacturing	75,699,000	5.873%
Agricultural	23,900	0.002%
Personal Property	27,734,100	2.152%
Total	$1,288,968,100	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2013	$1,178,545,500	$1,129,413,700	-0.04%
2014	1,165,405,100	1,167,590,600	3.38%
2015	1,172,829,300	1,189,880,500	1.91%
2016	1,191,366,660	1,210,941,600	1.77%
2017	1,220,238,000	1,288,968,100	6.44%

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

[1] Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2017 Equalized Value[1]	Percent of Village's Total Equalized Value
Thomson Reuters	Commercial	$ 25,668,868	1.99%
Summit Lake Apartments	Apartments	15,085,485	1.17%
Medline	Industrial	12,783,469	0.99%
Aurora Medical Group	Health Care	9,720,895	0.75%
Breakthrough Beverage	Commercial	9,024,759	0.70%
Merge, LLC	Commercial	8,900,366	0.69%
The Legend at Bristlecone	Golf Course	8,423,349	0.65%
UBIII LLC	Commercial	6,956,060	0.54%
EALON LLC	Industrial	5,833,660	0.45%
Waukesha Health Care	Health Care	4,777,907	0.37%
Total		**$ 107,174,818**	**8.31%**

Village's Total 2017 Equalized Value[2]	$1,288,968,100

Source: The Village.

[1] Calculated by dividing the 2017 Assessed Values by the 2017 Aggregate Ratio of assessment for the Village.

[2] Includes tax increment valuation.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds)*	$18,809,269

Revenue Debt (see schedules following)

Total revenue debt secured by sewer revenues	$ 1,864,798

*Preliminary, subject to change.

[1] Outstanding debt is as of the dated date of the Bonds and excludes the refunded obligations.

VILLAGE OF HARTLAND, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of December 5, 2017)

	G.O. Ref. Bonds		GO Corp Purp Bonds Series 2012A		GO Ref Bonds Series 2013A		GO Prom Notes Series 2014		GO Corp Purp Bonds Series 2015A		GO Prom Notes		GO Corp Purp Bonds Series 2017A							
Dated	2/3/2009		11/14/2012		12/5/2013		11/10/2014		11/3/2015		8/1/2017		12/5/2017							
Amount	$3,125,000		$6,080,000		$4,935,000		$38,831		$2,975,000		$700,000		$5,695,000*							
Maturity	2/1		10/1		6/1		2/15		10/1		8/1		11/1							
Fiscal Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal***	**Interest***	**Total Principal***	**Total Interest***	**Principal & Interest***	**Principal Outstanding***	**Principal %Paid***	**Year**
2017															0	0	0	18,809,269	0.00%	2017
2018	150,000	2,438	475,000	110,960	260,000	131,788	4,854		120,000	83,700	70,000	12,420	85,000	108,814	1,164,854	450,119	1,614,973	17,644,415	6.19%	2018
2019			425,000	101,460	270,000	123,838	4,854		140,000	80,100	70,000	11,178	375,000	119,228	1,284,854	435,803	1,720,657	16,359,561	13.02%	2019
2020			475,000	92,960	300,000	115,288	4,854		90,000	75,900	70,000	9,963	375,000	114,728	1,314,854	408,838	1,723,692	15,044,707	20.01%	2020
2021			440,000	78,710	350,000	105,538	4,854		130,000	73,200	70,000	8,694	410,000	109,665	1,404,854	375,807	1,780,661	13,639,853	27.48%	2021
2022			445,000	65,510	330,000	95,338	4,853		145,000	69,300	70,000	7,452	365,000	103,925	1,359,853	341,525	1,701,378	12,280,000	34.71%	2022
2023			420,000	56,610	330,000	86,263			145,000	64,950	70,000	6,210	360,000	98,450	1,325,000	312,483	1,637,483	10,955,000	41.76%	2023
2024			400,000	48,210	355,000	77,256			145,000	60,600	70,000	4,982	405,000	92,690	1,375,000	283,738	1,658,738	9,580,000	49.07%	2024
2025			400,000	40,210	350,000	67,125			150,000	56,250	70,000	3,726	400,000	85,603	1,370,000	252,914	1,622,914	8,210,000	56.35%	2025
2026			215,000	32,210	375,000 (1)	55,688			150,000 (1)	51,750	70,000	2,484	395,000	78,003	1,205,000	220,134	1,425,134	7,005,000	62.76%	2026
2027			215,000	27,910	375,000 (1)	43,313			150,000 (1)	48,000	70,000	1,242	395,000	69,905	1,205,000	190,370	1,395,370	5,800,000	69.16%	2027
2028			210,000	23,610	375,000 (1)	30,938			150,000 (1)	44,250			390,000	60,820	1,125,000	159,618	1,284,618	4,675,000	75.15%	2028
2029			210,000	19,410	375,000 (1)	18,563			150,000 (1)	39,750			360,000	51,070	1,095,000	128,793	1,223,793	3,580,000	80.97%	2029
2030			250,000	15,000	375,000 (1)	6,188			175,000 (1)	35,250			175,000	41,710	975,000	98,148	1,073,148	2,605,000	86.15%	2030
2031			250,000 (1)	9,500					200,000 (1)	30,000			175,000	36,985	625,000	76,485	701,485	1,980,000	89.47%	2031
2032			150,000 (1)	3,563					200,000 (1)	24,000			175,000	32,085	525,000	59,648	584,648	1,455,000	92.26%	2032
2033									200,000 (1)	18,000			175,000	27,010	375,000	45,010	420,010	1,080,000	94.26%	2033
2034									200,000 (1)	12,000			170,000	21,760	370,000	33,760	403,760	710,000	96.23%	2034
2035									200,000 (1)	6,000			170,000	16,575	370,000	22,575	392,575	340,000	98.19%	2035
													170,000	11,220	170,000	11,220	181,220	170,000	99.10%	0
													170,000	5,695	170,000	5,695	175,695	0	100.00%	0
	150,000	2,438	4,980,000	725,833	4,420,000	957,119	24,269	0	2,840,000	873,000	700,000	68,352	5,695,000	1,285,939	18,809,269	3,912,679	22,721,948			

* Preliminary, subject to change.

(1) Mandatory redemption amounts.

VILLAGE OF HARTLAND, WISCONSIN

Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Utility
(As of December 5, 2017)

	Sewerage System Revenue Bonds, Series 2003
Dated	6/11/2003
Amount	$5,000,000
Maturity	5/1

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Principal Interest	Principal Outstanding	Principal % Paid	Year
2017			0	0	0	1,864,798	0	2017
2018	290,108	47,293	290,108	47,293	337,401	1,574,690	16%	2018
2019	298,086	39,205	298,086	39,205	337,291	1,276,604	32%	2019
2020	306,284	30,895	306,284	30,895	337,179	970,320	48%	2020
2021	314,706	22,357	314,706	22,357	337,063	655,614	65%	2021
2022	323,361	13,583	323,361	13,583	336,944	332,253	82%	2022
2023	332,253	4,568	332,253	4,568	336,822	0	100%	2023
	1,864,798	157,902	1,864,798	157,902	2,022,700			

DEBT LIMIT

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

Equalized Value	$ 1,288,968,100
Multiply by 5%	0.05
Statutory Debt Limit	$ 64,448,405
Less: General Obligation Debt (includes the Bonds and excludes the refunded obligations)*	(18,809,269)
Unused Debt Limit*	$ 45,639,136

*Preliminary, subject to change.

OVERLAPPING DEBT[1]

Taxing District	2017 Equalized Value[2]	% In Village	Total G.O. Debt[3]	Village's Proportionate Share
Waukesha County	$ 54,158,131,600	2.3800%	$ 75,125,000	$ 1,787,975
Waukesha County Technical College District	55,384,135,843	2.3273%	24,170,000	562,508
Arrowhead Union High School School District	5,825,122,231	22.1277%	5,688,269	1,258,683
Hartland/Lakeside J3 School District	1,575,751,908	51.0985%	3,545,000	1,811,442
Swallow School District	827,747,651	32.3381%	1,315,000	425,246
Village's Share of Total Overlapping Debt				$ 5,845,854

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

[2] Includes tax increment valuation.

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $1,288,968,100	Debt/ Per Capita 9,197 [1]
Total General Obligation Debt (includes the Bonds and excludes the refunded obligations)*	$ 18,809,269	1.46%	$ 2,045.15
Village's Share of Total Overlapping Debt	5,845,854	0.45%	635.63
Total*	$ 24,655,123	1.91%	$ 2,680.78

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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

[1] Estimated 2017 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2012/13	$5,143,812	100%	$4.55
2013/14	5,195,250	100%	4.60
2014/15	5,221,226	100%	4.48
2015/16	5,357,668	100%	4.51
2016/17	5,465,692	100%	4.52

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

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

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools[1]	County	Local	Other[2]	Total
2012/13	$12.12	$2.11	$4.55	$0.17	$18.95
2013/14	12.04	2.14	4.60	0.17	18.95
2014/15	11.07	2.08	4.48	0.17	17.80
2015/16	10.87	2.04	4.51	0.17	17.59
2016/17	10.39	2.00	4.52	0.17	17.08

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

LEVY LIMITS

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

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5%

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

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

or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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

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

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

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

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

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

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

THE ISSUER

VILLAGE GOVERNMENT

The Village was incorporated in 1892 and is governed by a seven-member Board of Trustees, of which the Village President is a voting member. All Board Members are elected to two-year terms. The appointed Village Administrator, Clerk, and Treasurer/Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The Village employs a staff of 45 full-time, 22 part-time, and 14 seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees covered under WRS are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. The total retirement plan contributions (including both the Village's and the employees' contributions) for the years ended December 31, 2014 were $498,129. During the fiscal years ended December 31, 2015 ("Fiscal Year 2015") and December 31, 2016 ("Fiscal Year 2016"), the Village's portion of contributions to WRS (including both the Village's and the employees' contributions) totaled $269,482 and $262,428, respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

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

As of December 31, 2015, the total pension liability of the WRS was calculated as $90.1 billion and the fiduciary net position of the WRS was calculated as $88.5 billion, resulting in a net pension liability of $1.6 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2016, the Village reported a liability of $450,282 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2015 based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. The Village's proportion was .02771005% of the aggregate WRS net pension liability as of December 31, 2015.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4.A in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

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

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

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

The following bargaining unit represents employees of the Village:

Bargaining Unit	Expiration Date of Current Contract
Hartland Professional Police Association	December 31, 2018

OTHER POST EMPLOYMENT BENEFITS

Other than accumulated sick leave benefits payable upon retirement for employees who are not terminated, the Village does not offer any other post-employment benefits.

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of August 31, 2017)

Fund	Total Cash and Investments
General	$7,039,797
General - Petty Cash	550
Garbage Fund	265,710
Sewer Utility	1,851,323
Library Donation Fund	79,270
Impact Fee Fund	317,283
Self-Funded Dental Fund	179,436
Debt Service Fund	855,383
Capital Improvement Fund	2,819,741
Corporate Reserve Fund	1,703,150
Water Utility	1,719,136
Total Funds on Hand	$16,830,779

ENTERPRISE FUNDS

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

	2014	2015	2016
Water			
Total Operating Revenues	$ 1,266,164	$ 1,329,877	$ 1,375,260
Less: Operating Expenses	(1,150,452)	(1,122,838)	(1,218,183)
Operating Income	$ 115,712	$ 207,039	$ 157,077
Plus: Depreciation	388,905	399,265	427,028
Tax Equivalent	25,610	24,821	25,290
Interest Income	4,138	3,435	8,863
Revenues Available for Debt Service	$ 534,365	$ 634,560	$ 618,258
Sewer			
Total Operating Revenues	$1,381,491	$ 1,440,473	$ 1,870,542
Less: Operating Expenses	(1,494,909)	(1,459,912)	(1,478,691)
Operating Income	$ (113,418)	$ (19,439)	$ 391,851
Plus: Depreciation	248,653	251,032	263,099
Interest Income	79,457	72,471	71,601
Revenues Available for Debt Service	$ 214,692	$ 304,064	$ 726,551

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2016 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2014 Audited	2015 Audited	2016 Audited	2017 Adopted Budget[1]	2018 Proposed Budget[2]
Revenues					
Taxes and special assessments	$ 4,147,257	$ 4,184,624	$ 4,253,228	$ 4,493,660	$4,684,624
Intergovernmental	1,347,292	1,392,475	1,424,354	1,302,814	1,308,651
Licenses and permits	301,480	265,092	389,546	149,500	197,500
Penalties and forfeitures	74,865	75,529	70,804	86,600	87,000
Public charges for services	629,560	683,198	776,601	477,600	484,100
Interdepartmental revenues	57,806	55,113	53,700	108,700	109,000
Investment income	14,884	16,131	36,655	0	0
Miscellaneous general revenues	94,500	95,785	105,896	677,500	853,400
Total Revenues	$ 6,667,644	$ 6,767,947	$ 7,110,784	$ 7,296,374	$ 7,724,275
Expenditures					
Current:					
General government	$ 891,724	$ 854,372	$ 854,711	$ 1,268,215	$ 1,570,040
Police	2,267,289	2,298,937	2,360,314	3,299,155	3,430,000
Fire protection	536,628	589,812	645,643	1,589,007	1,576,935
Public Works	1,391,227	1,393,322	1,376,372	1,139,997	1,147,300
Health and social services	13,071	14,397	13,753	0	0
Library	683,079	680,085	674,629	0	0
Parks	286,582	326,007	396,901	0	0
Conservation and development	134,223	115,872	203,848	0	0
Capital outlay	79,888	81,929	49,245	0	0
Total Expenditures	$ 6,283,711	$ 6,354,733	$ 6,575,416	$ 7,296,374	$ 7,724,275
Excess of revenues over (under) expenditures	$ 383,933	$ 413,214	$ 535,368	$ 0	$ 0
Other Financing Sources (Uses)					
Proceeds from capital lease	6,875	1780	1,042		
Operating transfers in	230,844	234,031	225,209		
Operating transfers out	(226,324)	(273,126)	(290,225)		
Total Other Financing Sources (Uses)	$ 11,395	$ (37,315)	$ (63,974)		
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 395,328	$ 375,899	$ 471,394	$ 0	$ 0
General Fund Balance January 1	4,331,655	4,726,983	5,102,882	5,574,276	5,574,276
Residual Equity Transfer in (out)	0	0		0	
General Fund Balance December 31	$ 4,726,983	$ 5,102,882	$ 5,574,276	$ 5,574,276	$ 5,574,276
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	792,138	977,736	1,548,982		
Restricted	4,964	8,835	14,806		
Committed	0	0	0		
Assigned	1,521,241	1,402,183	1,418,784		
Unassigned	2,408,640	2,714,128	2,591,704		
Total	$ 4,726,983	$ 5,102,882	$ 5,574,276		

[1] The 2017 budget was adopted on November 14, 2016.

[2] The 2018 budget will be considered for approval by the Village Board on November 13, 2017.

GENERAL INFORMATION

LOCATION

The Village, with a 2010 U.S. Census population of 9,110 and a current estimated population of 9,197 comprises an area of 5.2 square miles and is located in Waukesha County on State Hwy 16, approximately 20 miles west of Milwaukee and about 15 miles northwest of Waukesha.

LARGER EMPLOYERS[1]

Larger employers in the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
One Touch Point - CCI	Document management systems & printing	288
Dorner Mfg. Corp.	Conveying equipment manufacturing	225
Merge Health Care, Inc.	Cardiology & radiology software systems	200
Batteries Plus, Inc.	Automotive parts manufacturing	200
Insurity	Insurance software & services	180
Advanced Disposal	Waste & recycling removal	153
Hartland-Lakeside School District	Elementary and secondary education	133
Piggly Wiggly	Grocery Store	130
IMS Electrol Co.	Electric equipment & supplies	120
Heraeus Electro-Nite Co.	Metal stamping	107

Source: *ReferenceUSA, written and telephone survey (October 2017), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

[1] This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

BUILDING PERMITS

	2013	2014	2015	2016	2017[1]
New Single Family Homes					
No. of building permits	8	5	9	32	20
Valuation	$2,450,000	$1,712,000	$4,776,000	$17,182,000	$10,399,000
New Multiple Family Buildings					
No. of building permits	0	1	1	1	0
Valuation	$0	$2,400,000	$190,000	$9,700,000	$0
New Commercial/Industrial					
No. of building permits	0	0	1	3	0
Valuation	$0	$0	$550,000	$1,770,000	$0
All Building Permits *(including additions and remodelings)*					
No. of building permits	165	215	219	168	121
Valuation	$10,223,850	$14,367,400	$14,755,450	$33,770,930	$16,611,100

Source: The Village.

[1] As of July 31, 2017.

U.S. CENSUS DATA

Population Trend: Village

2000 U.S. Census	7,905
2010 U.S. Census	9,110
2017 Estimated Population	9,197
Percent of Change 2000 - 2010	15.24%

Income and Age Statistics

	Village	Waukesha County	State of Wisconsin	United States
2015 per capita income	$36,994	$38,684	$28,340	$28,930
2015 median household income	$66,721	$76,545	$53,357	$53,889
2015 median family income	$92,330	$94,831	$68,064	$66,011
2015 median gross rent	$886	$933	$776	$928
2015 median value owner occupied units	$246,500	$249,300	$165,800	$178,600
2015 median age	39.7 yrs.	42.8 yrs.	39.0 yrs.	37.6 yrs.

	State of Wisconsin	United States
Village % of 2015 per capita income	130.54%	127.87%
Village % of 2015 median family income	135.65%	139.87%

Housing Statistics

	Village		
	2000	2015	Percent of Change
All Housing Units	3,140	3,698	17.77%

Source: *2000 and 2010 Census of Population and Housing, and 2015 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).*

EMPLOYMENT/UNEMPLOYMENT DATA

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

	Average Employment	Average Unemployment	
Year	Waukesha County	Waukesha County	State of Wisconsin
2013	207,195	5.5%	6.7%
2014	210,990	4.4%	5.4%
2015	213,135	3.8%	4.6%
2016	215,330	3.6%	4.1%
2017, September	219,873	2.8%	3.0%

Source: *Wisconsin Department of Workforce Development*.

APPENDIX A

FINANCIAL STATEMENTS

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

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

VILLAGE OF HARTLAND

Hartland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2016

BAKER TILLY

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Hartland
Hartland, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hartland, Wisconsin, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village of Hartland's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Hartland's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Hartland'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.

To the Village Board
Village of Hartland

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Hartland, Wisconsin, as of December 31, 2016 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
April 17, 2017

Village of Hartland

2016 Management's Discussion and Analysis
(Unaudited)

The management of the Village of Hartland offers this narrative overview and analysis of the Village of Hartland's financial activities for the fiscal year ended December 31, 2016. Readers of these financial statements are encouraged to consider the information presented here in conjunction with the additional information presented on the following pages.

The Village of Hartland is a community of approximately 9,141 residents located in Waukesha County, Wisconsin about 20 miles west of Milwaukee. The Village of Hartland has benefited from this location. There is easy access to major transportation routes and many residents commute to work in Waukesha, Milwaukee, Madison and other surrounding communities. Additionally, the ease of access provides opportunities for local businesses by providing quick and simple transportation for inbound and outbound goods and products.

The Village of Hartland is a progressive community with a commitment to maintaining assets through an aggressive capital projects program.

Overview of the Financial Statements

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

Financial Highlights

- The assets and deferred outflows of resources of the Village of Hartland exceeded its liabilities and deferred inflows of resources at the close of 2016 by $40,746,134 (net position). Of this amount, $11,467,728 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors. Nearly all of the remaining balance of the net position ($28,850,040) represents assets of the Village like roads, utility lines and buildings, net of any related debt. Shown on page 16 of this report.

- The total net position of the Village described on page 16 and elsewhere in these statements is impacted by liabilities, deferred inflows related to pension and deferred outflows related to pension despite the fact that pension for Village employees is provided through the State of Wisconsin Employee Trust Fund; the State's pension plan. Under governmental reporting requirements, the Village must show information related to the Village's portion of the overall pension plan in order to demonstrate how well funded the entire pension plan is based on actuarial assessments at a point in time. It does not necessarily represent an asset or liability of the Village.

- As shown on pages 17 and 18 of this report, the Village of Hartland's total net position increased by $3,277,141 from $37,468,993 in 2015 to $40,746,134 in 2016. A significant amount of this increase is attributed to infrastructure installed by developers and donated to the Village. The funds comprising Governmental Activities realized a $462,934 increase in net position. The funds comprising Business-type Activities realized a $2,814,207 increase in net position. All governmental funds, major and non-major, except three (TIF #4, TIF #5 and TIF #6, which are shown individually on pages 19 and 20) had a positive fund balance.

- As of the close of 2016, the Village of Hartland's governmental funds reported combined ending funding balances of $8,789,150. This is a decrease of $1,467,068 in comparison with the prior year's balance of $10,256,218. The decrease was primarily due anticipated

expenditures for capital projects and economic development (TIF) activities during 2016. Additionally, during 2016, no debt was issued by the Village. The 2016 and 2017 Capital Project are currently funded by the 2015 debt borrowing resulting in a reduction in the fund's balance. Shown on pages 19 to 24 of this report.

- Twelve percent (12%), or $1,043,982, of the Village's governmental fund balance, which includes all activities of the Village except the Water and Sewer Utilities, is available for spending at the Village's discretion (unassigned). The amount available is currently being offset, or reduced, by obligations in TIF Districts #4, #5 and #6 in the amount of $1,547,722. 47% ($4,101,658) of the fund balance is assigned by the Village for specific purposes. 24% of the fund balance is Restricted or Committed by the Village or statutes to be spent for specific purposes. The remaining 17% of fund balance is considered nonspendable as it relates to non-current receivables and prepayments. Shown on pages 19 and 20 of this report.

- When considered as a gross figure (not reduced by the TIF #4, TIF #5 or TIF #6 fund obligations), the General Fund unassigned fund balance totals $2,591,704. This is equal to 37% of the operating budget for the general fund revenues. This amount has been allowed to grow so that it may be used to mitigate potential sudden negative impacts that may be experienced from time to time or to address singular unforeseen needs. When considered net of the offset for TIF #4, TIF #5 and TIF #6, the $1,043,982 in unassigned fund balance referenced above is about 15% of the general fund operating revenues. Shown on pages 19 and 20 of this report.

- The Village of Hartland's total debt related to governmental activities had principal payments of $784,854 during 2016. Total general obligation debt for the business-type activities had principal payments of $135,000. Debt is shown on page 22 for Village debt payments and page 26 for Water and Sewer Utility outstanding balances. Long term obligation (debt) payment information is also contained on pages 53 through 55 of this report.

Government-wide Financial Statements

The ***government-wide financial statements*** are designed to provide a broad overview of the Village of Hartland's finances in a manner similar to private sector business. The government-wide financial statements can be found on pages 16 through 18 of this report.

The ***statement of net position*** (Page 16) presents information on all of the Village of Hartland's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference between these 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 of Hartland is improving or deteriorating. In the last several years (2010 – 2015), these figures have remained relatively steady.

The ***statement of activities*** (Pages 17 and 18) presents information showing how the Village of Hartland'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 the related cash flows*. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, and earned but unused comp time).

Both of the government-wide financial statements distinguish functions of the Village of Hartland 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 of Hartland include

general government, public safety, public works, environmental services, cemetery, library, parks and recreation. The governmental activities of the Village also include the Hartland Business Improvement District, which is a component unit of the Village. In 2007, the Hartland Business Improvement District (BID) was created by the Village of Hartland at the request of property and business owners in Village Center to provide focused services and economic assistance in the downtown consistent with state statutes. The Village assists by managing the BID's revenues, expenses and audit process via a separate fund. The business type activities of the Village of Hartland include the Water Utility and the Sewer Utility.

In the government-wide financial statements the Village of Hartland is known as the ***primary government***. The Water Utility and the Sewer Utility are designated as ***business activities***. Although legally separate, they function for all practical purposes as departments of the Village of Hartland and have been included as an integral part of this financial statement.

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 or objectives. The Village of Hartland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Hartland can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – pages 19 to 24. *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, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 the readers may better understand the long term impact of the Village of Hartland'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 of Hartland maintains thirteen individual governmental funds. These funds include: General Fund, Capital Projects, Corporate Reserve, Debt Service, Refuse, TIF #4, TIF #5, TIF #6, Special Library, Impact Fee, CIT, MIU and Developers. The Village of Hartland participates in and manages the accounts for the Critical Incident Team (CIT) Fund and the Major Investigations Unit (MIU) Fund. These two entities are mutual agreement police operations among area police departments pursuant to Wisconsin Statutes §66.30, §66.305 and §66.315. The two units are funded by budgeted transfers from participating jurisdictions and the finances are managed by the Village of Hartland. In each case the expenses are what is necessary to operate the teams and are a function of the number of times they are called and the type of training they need.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, TIF #4 fund, TIF #5 fund, TIF #6 fund, debt service fund, Village projects fund and corporate reserve fund. All of these funds are considered to be major funds. Individual fund data for the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Hartland adopts an annual appropriated budget for all major funds and most of the nonmajor funds as required by state statute. Budgetary comparison statements have been provided

Village of Hartland
2016 Management's Discussion and Analysis (cont.)
(Unaudited)

for the general fund, TIF #4 special revenue fund, TIF #5 special revenue fund and the TIF #6 special revenue fund as part of the required supplementary information on pages 70 to 73.

There are two funds that are not budgeted: (1) the Library fund that records donations to the Library and expenses the purchases from these donations; (2) the Village reviews and reconciles the Developers fund which comprises development-related expenses that will be reimbursed by developers.

Proprietary funds – pages 25 to 29. The Village of Hartland maintains three *Proprietary funds*. Proprietary funds are used to report *business-type activities* in the government-wide financial statements. The Village of Hartland uses enterprise funds (a type of proprietary fund) to account for its Water Utility and Sewer Utility.
The Village of Hartland also maintains an internal service fund (a second type of proprietary fund) to account for dental self-insurance activities.

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 on the Water Utility and the Sewer Utility, both of which are considered to be major funds of the Village of Hartland.

Fiduciary funds – page 30. 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 of Hartland's own programs. The fiduciary fund maintained by the Village of Hartland is the Trust and Agency Fund which records the tax roll and tax collections made by the Village for other taxing jurisdictions within the Village of Hartland. The accounting used for fiduciary funds is much like that used for governmental funds.

Notes to the financial statements – pages 32 to 69. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – pages 76 to 82. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In recent years, the net position of the Village has increased and decreased annually based on the particulars of a given fiscal year. In the last five years, the total assets/net position of the Village has increased by 10% ($3.74 million) to $40,746,134. A majority of this difference is from developer infrastructure contributions and overall growth of funds.

In the case of the Village of Hartland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $40,746,134 at the close of 2016. By far, the largest portion of the Village of Hartland's net position (71%) is found in net investment of capital assets which is capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Hartland uses these capital assets to provide services to citizens; consequently, these **assets are *not* available** for future spending. Although the Village of Hartland's net investment in 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.

2016 Management's Discussion and Analysis (cont.)

(Unaudited)

Following is a chart of the net position of the Village of Hartland. We are presenting the financial statements in this reporting model with a comparison to the prior year.

VILLAGE OF HARTLAND NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and other assets	$ 15,786,407	$ 17,726,569	$ 6,381,370	$ 6,016,713	$ 22,167,777	$ 23,743,282
Capital Assets	25,968,356	24,575,494	17,060,334	14,786,424	43,028,690	39,361,918
TOTAL ASSETS	41,754,763	42,302,063	23,441,704	20,803,137	65,196,467	63,105,200
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pensions	2,216,686	617,439	308,011	86,990	2,524,698	704,429
Refunding loss	120,138	144,812	34,279	38,563	154,417	183,375
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,336,826	762,251	342,290	125,553	2,679,116	887,804
LIABILITIES						
Long-term liabilities outstanding	14,290,328	14,702,661	4,763,547	5,126,371	19,053,875	19,829,032
Current and other liabilities	687,817	649,946	532,367	244,344	1,220,184	894,290
TOTAL LIABILITIES	14,978,145	15,352,607	5,295,914	5,370,715	20,274,059	20,723,322
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	5,907,777	5,800,689	-	-	5,907,777	5,800,689
Deferred inflows related to pensions	831,715	-	115,898	-	947,613	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,739,492	5,800,689	115,898	-	6,855,390	5,800,689
NET POSITION						
Net investment in capital assets	14,053,435	13,180,837	14,796,605	12,637,604	28,850,040	25,818,241
Restricted	428,941	945,845	-	85,941	428,941	1,031,886
Unrestricted	7,891,576	7,784,736	3,575,577	2,834,330	11,467,153	10,619,066
TOTAL NET POSITION	$ 22,373,952	$ 21,911,018	$ 18,372,182	$ 15,557,975	$ 40,746,134	$ 37,468,993

Village of Hartland

2016 Management's Discussion and Analysis (cont.)

(Unaudited)

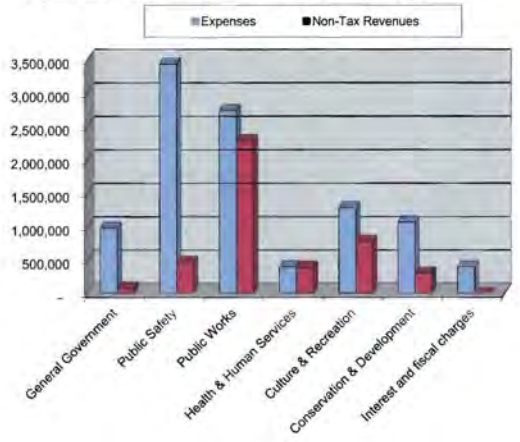
Following is a chart of the net position of the Village of Hartland. We are presenting the financial statements in this reporting model with a comparison to the prior year.

VILLAGE OF HARTLAND'S CHANGES IN NET POSITION

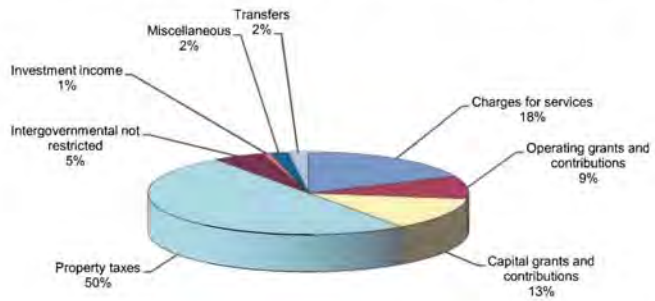
For the year ending December 31

	Governmental Activities		Business Type Activity - Water Utility		Business Type Activity - Sewer Utility		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues								
Program Revenues								
Charges for services	$ 1,979,901	$ 1,716,601	$ 1,375,260	$ 1,329,877	$ 1,870,542	$ 1,440,473	$ 5,225,703	$ 4,486,951
Oper grants and contributions	958,754	989,475	-	-	-	-	958,754	989,475
Capital grants and contributions	1,392,212	-	1,717,594	-	811,295	-	3,921,101	-
General Revenues								
Property Taxes	5,386,569	5,224,992	-	-	-	-	5,386,569	5,224,992
Inter governmental revenues not restricted to specific programs	558,029	523,473	-	-	-	-	558,029	523,473
Investment income	83,556	83,636	6,863	3,435	71,601	72,471	164,020	159,542
Miscellaneous	165,557	156,083	-	-	-	-	165,557	156,083
Gain on disposal of assets	20,600	5,003	-	-	-	-	20,600	5,003
Transfers	225,209	234,031	(218,059)	(226,917)	(7,150)	(7,114)	-	-
Total Revenues	10,770,387	8,935,294	2,883,658	1,106,395	2,746,288	1,505,830	16,400,333	11,547,519
Expenses								
Primary Government								
General government	984,677	922,836	-	-	-	-	984,677	922,836
Public Safety	3,432,040	3,132,401	-	-	-	-	3,432,040	3,132,401
Public Works	2,739,811	2,526,308	-	-	-	-	2,739,811	2,526,308
Health & Sanitation	398,886	395,456	-	-	-	-	398,886	395,456
Culture & Recreation	1,285,112	1,189,887	-	-	-	-	1,285,112	1,189,887
Conservation & Development	1,069,744	834,201	-	-	-	-	1,069,744	834,201
Interest & fiscal charges	397,183	432,503	55,768	62,630	63,097	70,693	516,048	565,826
Business Type Activities								
Water Utility	-	-	1,218,183	1,122,838	-	-	1,218,183	1,122,838
Sewer Utility	-	-	-	-	1,478,691	1,459,912	1,478,691	1,459,912
Total Expenses	10,307,453	9,433,592	1,273,951	1,185,468	1,541,788	1,530,605	13,123,192	12,149,665
Change in Net Position	462,934	(498,298)	1,609,707	(79,073)	1,204,500	(24,775)	3,277,141	(602,146)
TOTAL NET POSITION - JAN 1	21,911,018	22,409,316	9,869,963	9,949,036	5,688,012	5,712,787	37,468,993	38,071,139
TOTAL NET POSITION - DEC 31	$22,373,952	$ 21,911,018	$ 11,479,670	$ 9,869,963	$ 6,892,512	$ 5,688,012	$ 40,746,134	$37,468,993

Expenses & Program Revenues - Governmental Activities

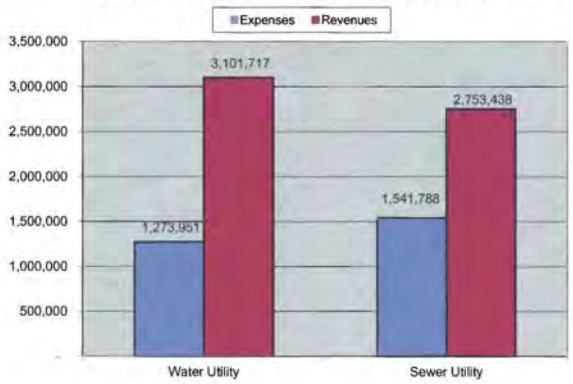


Program & General Revenues by Source - Governmental Activities



Village of Hartland
2016 Management's Discussion and Analysis (cont.)
(Unaudited)

Expenses & Program Revenues - Business-Type Activities



Revenues by Source - Business-type Activities

General Budgetary Highlights

The budget for the 2016 fiscal year was officially amended by the Village Board to reflect certain portions of excess revenues anticipated to be received and to reflect related additional expenses that were anticipated. The amendment acknowledged expected increased revenue related to building permits and increased expenses related to building inspection and contingencies. The revised, final budget remained a balanced budget wherein revenues and expenditures were equal. In the final analysis, however, the General Fund posted an actual excess of revenues and other financing sources over expenditures and other financing uses of $471,394. The Village of Hartland's 2016 operating budget received 105.2% of its final budgeted revenues and spent 98.4% of its final budgeted expenses. All revenue budget categories were higher than budgeted due partially to the following:

- Grant revenue was $59,189 more than budgeted in 2016.
- Ambulance billings were $68,436 more than budgeted in 2016.
- Donations and miscellaneous revenues were $51,198 more than budgeted in 2016.

On the expenditure side, all departments worked diligently to stay within the annual budget as there was constant monitoring of expenditures throughout the year. There were only three instances where operating expenditures were over budget. The three areas over budget were Police which was over by $34,722 mainly due to overtime and employee benefits; Fire Protection, which was over budget by $9,610, due to salary adjustments; and Parks, which was over budget by $70,176 due to an increase in our recreation programs offered. The other operating accounts came in under budget to make our overall expenses approximately 1.6% below budget.

The Village of Hartland's budget for the proprietary funds is not adopted on a full accrual basis but is accounted for on a full accrual basis; therefore, the budgetary comparisons discussed below compare the actual results on a budgetary basis. In regards to the Village of Hartland's proprietary funds:

- Total revenues for the water utility were at 187% while expenses came in at 90% of budget resulting in a gain. The rate for 2016 has been in effect since December 16, 2015. During 2016, a full rate case was submitted to the Public Service Commission, which approved an average of approximately 29.0% rate increase effective the first quarter of 2017. In the past, the use of unrestricted net position had allowed the operation to continue either without a rate increase or only small adjustments. The new rate increase is intended to help the water utility fund and maintain the water system and infrastructure.
- Total revenues for the Sewer Utility were 186% of budget and the expenses were at 100% of budget, resulting in a gain. The Sewer Utility budgets to pay $20,000 annually into an account that has been designated for lift station rehabilitation and replacement. A maintenance schedule has been put in place. At the end of 2016, the balance available for lift station maintenance was $283,011. The Sewer Utility also has funds set aside for future improvements to the Sewer system for the north and northeast portion of the Village in the amount of $711,536.
- Management has been concerned that the Sewer Utility would not be able to meet its operating expenses in future years. Therefore, a 5% increase per year in the per-thousand-gallon rate to customers was implemented in 2002 through 2008. This practice was re-implemented in 2013 and annually thereafter. During the 2017 budget process, the Sewer Utility rate was increased an additional 5% effective December 2016. The financial health of the Sewer Utility will continue to be evaluated on a yearly basis.

Village of Hartland
2016 Management's Discussion and Analysis (cont.)
(Unaudited)

As discussed earlier, the Village's TIF Districts #4, #5 and #6 show expenses (at pages 22 and 45 of this document) in excess of $650,000, which further increase the Village's deficit in this area. Expenses in the TIF Districts are considered by the Village to be investments that are expected to be returned by the long term improvement in the property values and the related taxes paid within the districts. In TIF District #6, expenses related to the developer agreement for infrastructure make up a majority of 2016's overall TIF-related expenditures.

For the first time since 2007, interest rates increased by an appreciable amount. The interest rates during 2016 more than doubled thus increasing interest income for all funds. The Village has $3.5 million with a local bank in a CDARS program that is earning 0.7% annually. The Village also has a repurchase agreement account with an ending balance of $20,411,439 and an ending interest rate of 0.58%. The Village has $301,000 in the Local Government Investment Pool earning 0.45% at the end of the year. The remainder of the Village's balances are in a checking account or various minimal interest funds.

Capital Assets

The capital assets of the Village of Hartland are managed through a five year capital improvement plan for both governmental and business-type activities. Projects in the capital improvement plan include the purchase or improvement of land for Village purposes and construction or major improvement to buildings, park facilities, streets, street lighting, tree planting, sidewalks, curb and gutter, storm sewers, sanitary sewer facilities and water facilities. The majority of activities included in the capital improvement plan are generally funded by borrowing for up to three years' worth of projects at a time. The Village of Hartland maintains records related to all of its capital facilities in either our geographical information system (GIS) database or a fixed asset program. The computerization of these records has improved the availability and quality of our records system, which has streamlined the planning process and made it easier to manage these assets.

The Trustees and staff of the Village of Hartland continue to spend a great deal of time working with the Village's financial consultants, Ehlers and Associates, to create and maintain a long-term financial management plan that supports our five year capital plan for infrastructure improvements.

The Village of Hartland maintains a Corporate Reserve Fund that funds the purchase of the equipment portion of our capital assets. A vehicle and equipment schedule is maintained showing date purchased, cost, estimated year of replacement, and the estimated replacement cost. A repayment schedule over the life of the item purchased is also charted. Those repayments, which are currently based on the vehicle purchase cost not the future replacement cost, become an expense in the departmental budgets every year and help fund the purchase of replacement vehicles and equipment in future years. The general fund does not pay interest on the repayments to the corporate reserve fund. If the utilities borrow from this fund, they are charged an interest rate that is ¼% lower than would be available through a state trust fund loan.

Significant additions in the capital assets of the governmental activities include:

- Repaving of Renson, Sweet Briar, Pine Grove, Evergreen, Church, Nixon and Lawn streets in the amount of $812,709.
- Mill Place pathway paving in the amount of $90,929
- Fire Department ADA bathroom upgrade for $19,874
- Motorola Radio replacement for all departments totaling $275,079
- Two Police SUV's in the amount of $76,775.

- Two Public Works trucks, a Ford F150 and Ford F350 totaling $80,758.
- Developer infrastructure contributions totaling $1,392,212 consisting of Roads, Pathways and Storm Sewer in the Windrush and Sanctuary of Hartland subdivisions and the Riverwalk development downtown.

In the business type activities, the Water Utility purchased meters for $97,522, hydrants for $96,750, main valve replacement for $195,817, a trench shield for $10,445 and developer water system contributions totaling $1,717,594 in the aforementioned developments. The Sewer Utility purchased two sewer flow meters totaling $34,035 and had developer sewer system contributions totaling $811,295 in the aforementioned developments.

The Village of Hartland is proud to be able to continue the aggressive maintenance of our infrastructure. More information is provided on the Village's capital assets activity for the year on pages 49 through 51 of the financial statements.

Long-term Debt

At the end of 2016, the Village bond rating was Aa2, which was in place when the Village executed the most recent borrowing in December of 2015. We are very proud that a community our size is able to attain this rating. This rating recognizes our strong financial position, stable tax base and moderate debt burden.

At the end of 2016, the total amount of general obligation outstanding debt was $15,654,123. This is equal to less than 1.29% of the Village of Hartland's 2016 equalized value. State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. Based on the Village's 2016 equalized value of $1,210,941,600 the Village of Hartland's allowable indebtedness is $60,547,080 (5% of the equalized value). At the end of 2016, the Village has used 25.85% of its allowable indebtedness. This debt amount is comprised of $15,654,123 of general obligation bonds. As discussed previously, there was no new debt issued during 2016.

84% of the Village's overall debt is related to governmental activities. The Water Utility owes fifteen percent of the debt and the Sewer Utility owes less than one half of one percent (<0.5%) of the debt. The 2015 borrowing was for Bristlecone Pines subdivision valve and hydrant replacements and repaving of a drive at Well #3.

In 2005, the Sewer Utility also partnered with the City of Delafield Sewer Utility to obtain a Clean Water Fund Loan for the Delafield-Hartland Waste Water Pollution Control Commission (Del-Hart). Del-Hart is the paying agent on this revenue bond because the sewer treatment revenues are funding the principal and interest payments. The balance of revenue bonds outstanding at December 31, 2015 is $2,148,967.

More information on the Village of Hartland's long-term debt can be found on pages 53 through 55.

General Economic Factors

Management remains cognizant of changes in many economic factors created in and after the economic downturn that occurred beginning in 2008 that have brought about what are likely permanent changes to the "normal" practices. While the Village remains strong, the financial resources of the Village were impacted by these overall changes in the economy. In the years that lead up to 2008, property values and community growth steadily increased. With the change in the economy, the Village, like many other municipalities, saw an almost immediate decline in growth activity and began to see a decline in property values, which continued to 2013. Through January of

Village of Hartland
2016 Management's Discussion and Analysis (cont.)
(Unaudited)

2013, the Village's equalized value had decreased by approximately 11% below the 2008 figure. However, home and commercial property prices stabilized and began to rise while commercial vacancy rates dropped in the Village. In 2016, the Village's equalized value again increased just under 2% but remains about 4% below the pre-2008 figures. In addition to growth from improved property values, the Village saw a small amount of growth from two new residential subdivisions approved in 2014, constructed in 2015 and will began to see house construction and occupancies in 2016. It is expected that this growth will continue. In addition, another subdivision and a downtown mixed use development were approved in 2015 and under construction in 2016. Growth in the Village's overall tax base will continue to grow as these developments build out and fill up. The Village continues to be approached about other potential subdivisions and developments, which may be considered in 2017 and beyond.

Additionally, the Village continues to see growth in the commercial sector. Several of the Village's industrial and large commercial businesses have need for growth and are seeking that growth in their existing Hartland locations. Major expansions and increases in activity have occurred at a number of these larger commercial enterprises and Village staff have been approached about several other expansions and in-Village relocations to larger facilities. After Village approval in 2015 and 2016, expansions occurred a commercial facilities in both commercial parks and a new office building was constructed in the downtown. These factors continue to demonstrate the improving forecast. Despite the difficulties of the last few years, the Village of Hartland weathered the downturn in the way management expected; by taking care of our infrastructure; maintaining a careful and deliberate approach to financial management; and maintaining our healthy reserves. In difficult times, our reserves add strength to our financial position. We expect it to remain strong into the future as we predict modest increases in our tax base growth.

Downtown Factors

In 2008, prior to the downturn, the Village of Hartland created a new downtown redevelopment tax incremental financing district or TIF #4. The timing of the new district was challenging and its size was almost immediately reduced (2011) to mitigate the value loss it experienced. While it recovered some and despite a significant redevelopment on E. Capitol Drive, other properties have lost value and there continued to be no positive increment value on which to calculate a tax. In 2015, the Village again reduced the size of TIF #4 to include only the two properties that received funding through the District, which have experienced a major increase in value. By doing so, the TIF District #4 generated positive increment on which taxes were levied creating tax revenue in the district for the first time. It is expected that this will continue and the taxes generated will cover the cost of the loans made by the Village/TIF District to support the redevelopment. Additional information about TIF District #4 can be found in the 100 Percent Expenditure Audit for the district, which was completed in 2016 for the years up to December 31, 2015.

In 2015, the Village created a Mixed Use Tax Increment Financing District (TIF #6) to support the aforementioned mixed use redevelopment on E. Capitol Drive in the downtown. The development caused the demolition and redevelopment of a commercial building and three residential structures (two of which were demolished by the Village several years ago) into a new mixed use commercial building and two residential buildings comprising 77 residential units and 4,000 square feet of commercial space. During 2016, the financial assistance provided on the development was modified and includes up to $1.955 million in monetary contributions, which comprises about $733,000 in grants for infrastructure and other specific activities and rebates on incremental taxes paid by the property owner in an amount not to exceed $1.222 million, plus two properties owned by the Village in the redevelopment area. Once construction is complete, the TIF #6 is expected to generate more than $8 million in property value. It is expected that a portion of the new value will be realized in the 2017 assessment role with full value realized in the 2018 role.

The Village's economic development activities in the downtown continue to complement the Business Improvement District which was formed under Wisconsin Statutes section 66.1110 (1)(f)(4) at the end

of 2006 by an active group of downtown business people. The Business Improvement District works to enhance the aesthetics and commercial atmosphere in the Village and, consequently, increase business activity. A director is employed by the BID and office space, a web site and regular electronic communications with members are maintained. The BID continues to operate a number of grant and loan programs and other activities to improve the Downtown including installation of directional signs, support of downtown events and activities, and provision of educational opportunities for businesses. Through its various loans and grants to downtown businesses and property owners who want to make a better street presence or otherwise improve their buildings, the BID has leveraged significant private investment in the downtown. The Business Improvement District is a public/private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district. The Village of Hartland assists in this effort by making matching grants to eligible property owners. The Business Improvement District has remained successful and is seeking ways to expand its reach to additional commercial properties adjacent to the current District boundaries. Additionally, the District was a significant factor in the Village achieving its status as an Ice Age Trail Community and it remains an active participant in this ongoing cross marketing relationship with the Ice Age Trail Alliance.

Other Factors

In 2011, the Village of Hartland created TIF #5 for rehabilitation of a blighted area south of Cardinal Lane near Highway 83. TIF #5 facilitated the redevelopment of the property in a manner which provided a higher and better use of the property and provided roadway improvements to better serve the neighborhood within which TIF #5 is located. The area has been redeveloped with a restaurant with drive through facilities. Since 2012, the development has realized growing levels of increment value. In 2015, after some one-time adjustments for previously unrecorded value, the value was $1.6 million, which netted a tax increment payment of over $21,000. In 2016, the incremental value of the property settled to approximately $1.18 million, which is expected to increase in the future with appreciation of the property's value. Payments made on the increment are used to help pay down loans made to the developer of the project as an incentive.

In 2016, Waukesha County, in partnership with the Waukesha Business Alliance, created the Waukesha County Center for Growth to fill the role of the economic development agency for the County. As part of its ongoing commitment to maintain and improve the economic climate it the Village, Hartland expects to partner with this organization in order to better provide assistance and resources to existing businesses and to seek opportunities for expansion of the commercial base in the Village through introduction of new businesses.

Requests for Information

This financial report is designed to provide a general overview of the Village of Hartland's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Village of Hartland Finance Director, 210 Cottonwood Avenue, Hartland, WI 53029.

VILLAGE OF HARTLAND

STATEMENT OF NET POSITION
As of December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Business Improvement District
ASSETS				
Cash and investments	$ 9,468,530	$ 3,295,875	$ 12,764,405	$ 43,049
Receivables (net)				
Taxes	5,896,171	12,055	5,908,226	70,000
Accounts	87,783	638,204	725,987	-
Delinquent personal property taxes	1,260	-	1,260	-
Accrued interest	16,214	-	16,214	-
Loans	316,449	-	316,449	-
Inventories and prepaid items	-	14,920	14,920	-
Restricted assets				
Cash and investments	-	261,500	261,500	-
Accrued interest	-	9,849	9,849	-
Loans	-	2,148,967	2,148,967	-
Capital assets (net of accumulated depreciation)				
Land	612,637	22,291	634,928	-
Construction in progress	6,734	3,521	10,255	-
Other capital assets, net of depreciation	25,348,985	17,034,522	42,383,507	-
Total Assets	41,754,763	23,441,704	65,196,467	113,049
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pensions	2,216,688	308,011	2,524,699	-
Refunding loss	120,138	34,279	154,417	-
Total Deferred Outflows of Resources	2,336,826	342,290	2,679,116	-
LIABILITIES				
Accounts payable and accrued expenses	$ 426,068	$ 507,848	$ 933,916	$ 1,480
Accrued interest payable	87,892	24,519	112,411	-
Deposits	173,422	-	173,422	-
Due to other governmental units	435	-	435	-
Noncurrent liabilities				
Due within one year	915,560	477,584	1,393,144	-
Due in more than one year	12,979,558	4,230,891	17,210,449	-
Net pension liability	395,210	55,072	450,282	-
Total Liabilities	14,978,145	5,295,914	20,274,059	1,480
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	5,907,777	-	5,907,777	70,000
Deferred inflow related to pensions	831,715	115,898	947,613	-
Total Deferred Inflows of Resources	6,739,492	115,898	6,855,390	70,000
NET POSITION				
Net investment in capital assets	14,053,435	14,796,605	28,850,040	-
Restricted for				
Library	79,418	-	79,418	-
Impact fees	261,135	-	261,135	-
EMS Act 102	14,806	-	14,806	-
Developer fund	575	-	575	-
Debt service	73,007	-	73,007	-
Unrestricted	7,891,576	3,575,577	11,467,153	41,569
TOTAL NET POSITION	$ 22,373,952	$ 18,372,182	$ 40,746,134	$ 41,569

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 984,677	$ 82,673	$ -	$ -
Public safety	3,432,040	416,039	58,010	-
Public works	2,739,811	267,953	628,084	1,392,212
Health and human services	398,886	392,694	-	-
Culture, education and recreation	1,285,112	512,793	272,660	-
Conservation and development	1,069,744	307,749	-	-
Interest and fiscal charges	397,183	-	-	-
Total Governmental Activities	10,307,453	1,979,901	958,754	1,392,212
Business-type Activities				
Water Utility	1,281,825	1,383,134	-	1,717,594
Sewer Utility	1,541,788	1,870,542	-	811,295
Total Business-type Activities	2,823,613	3,253,676	-	2,528,889
Total Primary Government	$ 13,131,066	$ 5,233,577	$ 958,754	$ 3,921,101
Component Unit				
Business improvement district	$ 67,536	$ -	$ 9,580	$ -
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for TIF districts				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Miscellaneous				
Gain on disposal of assets				
Total General Revenues				
Transfers				
Change in net position				
NET POSITION - Beginning of Year				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activites	Totals	Business Improvement District
$ (902,004)	$ -	$ (902,004)	$ -
(2,957,991)	-	(2,957,991)	-
(451,562)	-	(451,562)	-
(6,192)	-	(6,192)	-
(499,659)	-	(499,659)	-
(761,995)	-	(761,995)	-
(397,183)	-	(397,183)	-
(5,976,586)	-	(5,976,586)	-
-	1,818,903	1,818,903	-
-	1,140,049	1,140,049	-
-	2,958,952	2,958,952	-
(5,976,586)	2,958,952	(3,017,634)	-
-	-	-	(57,956)
4,253,228	-	4,253,228	-
1,117,677	-	1,117,677	-
15,664	-	15,664	-
-	-	-	70,000
558,029	-	558,029	-
83,556	80,464	164,020	-
165,557	-	165,557	250
20,600	-	20,600	-
6,214,311	80,464	6,294,775	70,250
225,209	(225,209)	-	-
462,934	2,814,207	3,277,141	12,294
21,911,018	15,557,975	37,468,993	29,275
$ 22,373,952	$ 18,372,182	$ 40,746,134	$ 41,569

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	General	Special Revenue Funds		
		TIF #4	TIF #5	TIF #6
ASSETS				
Assets				
Cash and investments	$ 4,392,275	$ -	$ -	$ -
Receivables				
Taxes	4,258,660	19,462	17,342	-
Delinquent personal property tax	1,260	-	-	-
Accrued interest	16,214	-	-	-
Accounts	87,783	-	-	-
Loans	-	214,951	101,498	-
Due from other funds	1,547,722	-	-	-
Total Assets	$ 10,303,914	$ 234,413	$ 118,840	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 263,942	$ -	$ -	$ -
Accrued liabilities	21,573	-	-	-
Due to other governments	435	-	-	-
Due to other funds	-	641,621	77,591	828,510
Deposits	173,422	-	-	-
Total Liabilities	459,372	641,621	77,591	828,510
Deferred Inflows of Resources				
Unearned revenues	4,270,266	19,462	17,342	-
Unavailable revenues	-	214,951	101,498	-
Total Deferred Inflows of Resources	4,270,266	234,413	118,840	-
Fund Balances (Deficits)				
Nonspendable	1,548,982	-	-	-
Restricted	14,806	-	-	-
Committed	-	-	-	-
Assigned	1,418,784	-	-	-
Unassigned (Deficits)	2,591,704	(641,621)	(77,591)	(828,510)
Total Fund Balances (Deficits)	5,574,276	(641,621)	(77,591)	(828,510)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,303,914	$ 234,413	$ 118,840	$ -

See accompanying notes to financial statements.

Debt Service	Capital Projects Funds: Village Projects	Capital Projects Funds: Corporate Reserve	Nonmajor Governmental Funds	Totals
$ 160,899	$ 2,866,796	$ 1,379,400	$ 491,527	$ 9,290,897
1,207,032	-	-	393,675	5,896,171
-	-	-	-	1,260
-	-	-	-	16,214
-	-	-	-	87,783
-	-	-	-	316,449
-	-	-	-	1,547,722
$ 1,367,931	$ 2,866,796	$ 1,379,400	$ 885,202	$ 17,156,496
$ -	$ 93,239	$ -	$ 42,787	$ 399,968
-	-	-	-	21,573
-	-	-	-	435
-	-	-	-	1,547,722
-	-	-	-	173,422
-	93,239	-	42,787	2,143,120
1,207,032	-	-	393,675	5,907,777
-	-	-	-	316,449
1,207,032	-	-	393,675	6,224,226
-	-	-	-	1,548,982
160,899	1,470,083	-	341,128	1,986,916
-	-	-	107,612	107,612
-	1,303,474	1,379,400	-	4,101,658
-	-	-	-	1,043,982
160,899	2,773,557	1,379,400	448,740	8,789,150
$ 1,367,931	$ 2,866,796	$ 1,379,400	$ 885,202	$ 17,156,496

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2016

Total Fund Balances - Governmental Funds	$ 8,789,150
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	
Land	612,637
Construction in progress	6,734
Other capital assets	41,867,899
Less: Accumulated depreciation	(16,518,914)
Special assessments and loans not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	316,449
The net pension liability does not relate to current financial resources and is not reported in the governmental funds	(395,210)
The deferred outflows of resources related to pensions do not relate to current financial resources and, therefore, is not reported in the governmental funds	2,216,688
The deferred inflows of resources related to pensions do not relate to current financial resources and, therefore, is not reported in the governmental funds	(831,715)
Internal service funds are reported in the statement of net position as governmental activities	173,106
Some deferred outflows of resources and liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds	
Bonds and notes payable (including loss on refunding, debt discount, and premiums)	(13,385,004)
Compensated absences	(389,976)
Accrued interest payable	(87,892)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 22,373,952

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	General	Special Revenue Funds		
		TIF #4	TIF #5	TIF #6
REVENUES				
Taxes	$ 4,253,228	$ 9,077	$ 23,743	$ -
Intergovernmental	1,424,354	2,342	278	-
Licenses and permits	389,546	-	-	-
Fines, forfeitures and penalties	70,804	-	-	-
Public charges for services	776,601	-	-	-
Public improvement revenues	-	-	-	-
Interdepartmental revenue	53,700	-	-	-
Investment income	36,655	-	-	-
Miscellaneous revenues	105,896	-	-	-
Total Revenues	7,110,784	11,419	24,021	-
EXPENDITURES				
Current				
General government	854,711	170	170	170
Police	2,360,314	-	-	-
Fire protection	645,643	-	-	-
Public works	1,376,372	-	-	-
Health and human services	13,753	-	-	-
Library	674,629	-	-	-
Parks	396,901	-	-	-
Conservation and development	203,848	3,650	360	658,764
Capital Outlay	49,245	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,575,416	3,820	530	658,934
Excess (deficiency) of revenues over expenditures	535,368	7,599	23,491	(658,934)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,042	-	-	-
Transfers in	225,209	-	-	-
Transfers out	(290,225)	-	-	(5,000)
Total Other Financing Sources (Uses)	(63,974)	-	-	(5,000)
Net Change in Fund Balances	471,394	7,599	23,491	(663,934)
FUND BALANCES (DEFICITS) - Beginning of Year	5,102,882	(649,220)	(101,082)	(164,576)
FUND BALANCES (DEFICITS) - END OF YEAR	$ 5,574,276	$ (641,621)	$ (77,591)	$ (828,510)

See accompanying notes to financial statements.

Debt Service	Capital Projects Funds: Village Projects	Capital Projects Funds: Corporate Reserve	Nonmajor Governmental Funds	Totals
$ 1,117,677	$ -	$ -	$ -	$ 5,403,725
-	-	-	54,896	1,481,870
-	-	-	-	389,546
-	-	-	-	70,804
-	-	-	772,507	1,549,108
-	-	-	13,247	13,247
-	-	-	-	53,700
2,971	19,549	8,166	2,968	70,309
-	-	-	-	105,896
1,120,648	19,549	8,166	843,618	9,138,205
-	-	-	-	855,221
-	-	-	26,241	2,386,555
-	-	-	-	645,643
-	-	-	-	1,376,372
-	-	-	382,477	396,230
-	-	-	36,358	710,987
-	-	-	-	396,901
-	9,580	-	-	876,202
-	1,282,612	541,385	164,242	2,037,484
			-	
780,000	4,854	-	-	784,854
395,950	-	-	-	395,950
1,175,950	1,297,046	541,385	609,318	10,862,399
(55,302)	(1,277,497)	(533,219)	234,300	(1,724,194)
-	-	30,875	-	31,917
-	-	290,225	37,146	552,580
-	(32,146)	-	-	(327,371)
-	(32,146)	321,100	37,146	257,126
(55,302)	(1,309,643)	(212,119)	271,446	(1,467,068)
216,201	4,083,200	1,591,519	177,294	10,256,218
$ 160,899	$ 2,773,557	$ 1,379,400	$ 448,740	$ 8,789,150

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

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, 2016

Net change in fund balances - total governmental funds	$ (1,467,068)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets are capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,037,484
Some items reported as capital outlay were not capitalized	(580,203)
Depreciation is reported in the government-wide statements	(1,445,513)
Net book value of assets retired	(11,118)
Contributed capital assets are reported as revenues in the government-wide financial statements.	1,392,212
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(17,156)
Debt issued provides current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	784,854
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as other additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Amortization	(4,852)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net pension liability	(1,001,913)
Deferred outflows of resources related to pensions	1,599,249
Deferred inflows of resources related to pensions	(831,715)
Compensated absences	2,867
Accrued interest on debt	3,619
Internal service funds are used by management to charge self insurance costs to individual funds. The increase in net position of the internal service fund reported with governmental activities.	2,187
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 462,934

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
ASSETS				
Current Assets				
Cash and investments	$ 1,253,332	$ 2,042,543	$ 3,295,875	$ 177,633
Receivables				
Accounts	303,676	334,528	638,204	-
Taxes	6,748	5,307	12,055	-
Inventories and prepayments	14,920	-	14,920	-
Restricted Assets				
Cash and investments	261,500	-	261,500	-
Accrued interest	-	9,849	9,849	-
Current portion of loan receivable	-	282,584	282,584	-
Total Current Assets	1,840,176	2,674,811	4,514,987	177,633
Noncurrent Assets				
Restricted Assets				
Noncurrent portion of loan receivable	-	1,866,383	1,866,383	-
Capital Assets				
Land	22,291	-	22,291	-
Construction in progress	3,521	-	3,521	-
Property and equipment	18,380,478	9,598,092	27,978,570	-
Accumulated depreciation	(6,297,567)	(4,646,481)	(10,944,048)	-
Total Noncurrent Assets	12,108,723	6,817,994	18,926,717	-
Total Assets	13,948,899	9,492,805	23,441,704	177,633
DEFERRED OUTFLOWS OF RESOURCES				
Refunding loss	34,279	-	34,279	-
Deferred outflow related to pensions	208,656	99,355	308,011	-
Total Deferred Outflows of Resources	242,935	99,355	342,290	-

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
LIABILITIES				
Current Liabilities				
Accounts payable	$ 26,761	$ 393,929	$ 420,690	$ 4,527
Accrued liabilities	60,923	26,235	87,158	-
Accrued interest	14,319	351	14,670	-
Current portion of general obligation debt	190,000	5,000	195,000	-
Liabilities Payable from Restricted Assets				
Accrued interest	-	9,849	9,849	-
Current portion of revenue bonds	-	282,584	282,584	-
Total Current Liabilities	292,003	717,948	1,009,951	4,527
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt	2,304,508	60,000	2,364,508	-
Net pension liability	37,254	17,818	55,072	-
Liabilities Payable from Restricted Assets				
Revenue bonds	-	1,866,383	1,866,383	-
Total Noncurrent Liabilities	2,341,762	1,944,201	4,285,963	-
Total Liabilities	2,633,765	2,662,149	5,295,914	4,527
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	78,399	37,499	115,898	-
Total Deferred Outflows of Resources	78,399	37,499	115,898	-
NET POSITION				
Net investment in capital assets	9,909,994	4,886,611	14,796,605	-
Unrestricted net position	1,569,676	2,005,901	3,575,577	173,106
TOTAL NET POSITION	$ 11,479,670	$ 6,892,512	$ 18,372,182	$ 173,106

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
OPERATING REVENUES				
Public charges for services	$ 1,340,290	$ 1,863,858	$ 3,204,148	$ -
Miscellaneous revenues	34,970	6,684	41,654	56,962
Total Operating Revenues	1,375,260	1,870,542	3,245,802	56,962
OPERATING EXPENSES				
Current				
Operation and maintenance	765,865	1,215,592	1,981,457	55,722
Depreciation expense	427,028	263,099	690,127	-
Taxes	25,290	-	25,290	-
Total Operating Expenses	1,218,183	1,478,691	2,696,874	55,722
Operating Income	157,077	391,851	548,928	1,240
NONOPERATING REVENUES (EXPENSES)				
Investment income	8,863	71,601	80,464	947
Interest expense	(59,357)	(63,097)	(122,454)	-
Amortization	3,589	-	3,589	-
Total Nonoperating Revenues (Expenses)	(46,905)	8,504	(38,401)	947
Income Before Transfers and Capital Contributions	110,172	400,355	510,527	2,187
TRANSFERS AND CONTRIBUTIONS				
Capital contributions	1,717,594	811,295	2,528,889	-
Transfers out	(218,059)	(7,150)	(225,209)	-
Total Transfers and Contributions	1,499,535	804,145	2,303,680	-
Change in Net Position	1,609,707	1,204,500	2,814,207	2,187
NET POSITION - Beginning of Year	9,869,963	5,688,012	15,557,975	170,919
NET POSITION - END OF YEAR	$ 11,479,670	$ 6,892,512	$ 18,372,182	$ 173,106

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,373,251	$ 1,876,801	$ 3,250,052	$ 56,962
Payments to vendors	(348,616)	(1,096,828)	(1,445,444)	-
Payments to employees	(355,708)	(122,137)	(477,845)	(52,908)
Payments to other funds	(33,040)	(20,660)	(53,700)	-
Net Cash Flows From Operating Activities	635,887	637,176	1,273,063	4,054
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	8,863	9,984	18,847	947
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(218,059)	(7,150)	(225,209)	-
Net Cash Flows From Noncapital Financing Activities	(218,059)	(7,150)	(225,209)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(130,000)	(5,000)	(135,000)	-
Interest paid	(55,045)	(1,505)	(56,550)	-
Acquisition and construction of capital assets	(404,053)	(34,036)	(438,089)	-
Sale of capital assets	2,941	-	2,941	-
Receipt of Del-Hart deposits	-	290,713	290,713	-
Net Cash Flows From Capital and Related Financing Activities	(586,157)	250,172	(335,985)	-
Net Change in Cash and Cash Equivalents	(159,466)	890,182	730,716	5,001
CASH AND CASH EQUIVALENTS - Beginning of Year	1,674,298	1,152,361	2,826,659	172,632
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,514,832	$ 2,042,543	$ 3,557,375	$ 177,633

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Totals	Dental Insurance
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 157,077	$ 391,851	$ 548,928	$ 1,240
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	427,028	263,099	690,127	-
Depreciation charged to other funds	25,910	(25,910)	-	-
Amortization	(3,589)	-	(3,589)	-
Changes in assets and liabilities				
Accounts receivable	(2,011)	6,259	4,248	-
Inventory	(514)	-	(514)	-
Pension related amounts	23,157	12,833	35,990	-
Accounts payable	7,876	(11,706)	(3,830)	2,814
Accrued liabilities	953	750	1,703	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 635,887	$ 637,176	$ 1,273,063	$ 4,054
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in Del-Hart loan payable/receivable	$ -	$ 275,021		$ -
Interest expense on Del-Hart loan payable	$ -	$ 62,878		$ -
Interest earned on Del-Hart loan receivable	$ -	$ 62,878		$ -
Capital assets contributed	$ 1,717,594	$ 811,295		$ -

See accompanying notes to financial statements.

VILLAGE OF HARTLAND

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
As of December 31, 2016

	Agency Fund Tax Collection Fund
ASSETS	
Cash and investments	$ 11,335,517
Receivables	
Taxes	3,837,908
TOTAL ASSETS	$ 15,173,425
LIABILITIES	
Due to other governments	$ 15,173,425

See accompanying notes to financial statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Hartland, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Hartland. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending, Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Hartland Business Improvement District

The government-wide financial statements include the Hartland Business Improvement District ("BID") as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the Village board. Wisconsin Statutes provide for circumstances whereby the Village can impose its will on the BID, and also create a potential financial benefit to or burden on the Village. See Note III.I. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2016. The BID does not issue separate financial statements.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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 or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Village are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary fund 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/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the Village's management believes is particularly important to financial statement users may be reported as a major fund.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

General Fund – accounts for the Village's primary operating activities. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund – TIF Fund #4 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.

Special Revenue Fund – TIF Fund #5 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.

Special Revenue Fund – TIF Fund #6 – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of TIF related costs.

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund – Village Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for long-term borrowing and other resources to be used for capital improvement projects.

Capital Projects Fund – Corporate Reserve Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for major capital equipment.

The Village reports the following major proprietary funds:

Water Utility – accounts for operations of the water system.
Sewer Utility – accounts for operations of the sanitary sewer system.

The Village reports the following non-major governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes(other than major capital projects).

Refuse and Garbage Collection	Impact Fees
Special Library	Criminal Investigation Task Force
Major Incident Task Force	

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Developers

In addition, the Village reports the following fund types:

Internal Service Fund - used to account for the financing of goods and services provided by one department to other departments of the Village, or to other governmental units, on a cost-reimbursement basis.

Dental Insurance Fund

Agency Fund - 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.

Tax Collection Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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 as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's Water and Sewer Utilities and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

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. 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 60 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.

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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available. Annual installments due in future years are reflected as receivables and unavailable revenues.

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility and Sewer Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for enterprise 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 nonoperating revenues and expenses.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Village funds is restricted by state statutes. Available investments are limited to:

a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

b. Bonds or securities of any county, drainage district, technical college district, city, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or by Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The Village has adopted an investment policy. The policy addresses credit risk by limiting investments to savings accounts, checking accounts, Wisconsin local government investment pool, certificates of deposit and any other investment authorized by Wisconsin State Statutes and by ensuring funds are insured or fully collateralized. The policy addresses interest rate risk by investing operating funds in shorter term securities, money market mutual funds, repurchase and sweep agreements or similar investment pools and keeping maturities of investments under 5 years and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. The policy addresses custodial credit risk by ensuring funds are insured or fully collateralized. The Village is in compliance with their policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances. The difference between the bank statement balance and the carrying balance is due to outstanding checks and/or deposits in transit.

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. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these financial statements.

See Note III.A. for further information.

2. Receivables

Property taxes are levied in November on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities – fiduciary fund.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar – 2016 tax roll:

Lien date and levy date	November 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax Sale – 2016 delinquent real estate taxes	October 2019

Accounts receivable have been shown net of an allowance for uncollectible accounts of $115,038 for ambulance billing. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable of the Water and Sewer Utilities has been made in the accompanying enterprise fund financial statements because those funds have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a non-spendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for operation and maintenance work. They are not for resale. They are valued at cost based on first in – first out method, and charged to construction or operation and maintenance expense when used.

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government–Wide Statements

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements, are defined by the government as assets with an initial cost of more than $5,000 for general capital assets and $5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to capital asset accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital asset accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings and Building Improvements	20-40 Years
Machinery and Equipment	1-15 Years
Utility System	15-90 Years
Infrastructure	20-50 Years
Intangibles	5-20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

Vacation time is cumulative from year to year to a maximum of 24 days. Sick leave benefits are cumulative up to a maximum of 150 days. There are no provisions for payment of accumulated sick leave benefit if employment is terminated. At retirement, a percentage of accumulated sick leave will be converted to health insurance benefits based on the employee's classification.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental fund financial statements, the cost of vacation and sick leave is recognized when payments are made to employees and liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2016 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations/Conduit Debt

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 bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts "plus any premiums" are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The Village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately $2.21 million, made up of one issue.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. 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 less any unspent debt proceeds.

b. *Restricted net position*– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.

c. *Unrestricted net position*– All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

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

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund balance is displayed as follows:

a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted – Consists of fund balances 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. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.

d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Finance Director and Village Administrator to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

See Note III.H. for further information.

The Village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of at least 25% of total general fund annual revenues. The balance at year end was $2,591,704 or 35.3%, and is included in unassigned general fund fund balance.

11. Basis for Existing Rates – Proprietary Funds

Water Utility

Rates for the water utility were established by the Wisconsin Public Service Commission. The rates for 2016 were effective December 16, 2015. Effective December 16, 2016 the water rates were increased approximately 29% due to a full rate case study.

Sewer Utility

The sewer utility revenues are based on rates established by the Village Board. The 2016 rates were effective December 16, 2015. Effective December 16, 2016 the sewer rates were increased 5.0% as part of the annual budget process.

12. Pension

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

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, certain special revenue funds, debt service and certain capital project funds. Budgets have not been formally adopted for the special library and developers funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	$ 1,174,550	$ 1,175,950	$ 1,400
Capital Projects Funds			
Village Projects	$ 1,293,054	$ 1,329,192	$ 36,138
Corporate Reserve	217,900	541,385	323,485
Special Revenue Funds			
TIF #4	$ 317	$ 3,820	$ 3,503
TIF #5	317	530	213
TIF #6	317	663,934	663,617
Major Incident Task Force	-	1,219	1,219

The Village controls expenditures at the fund level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

The Special Revenue - TIF #4 fund has a deficit balance of $641,621, Special Revenue - TIF #5 fund has a deficit balance of $77,591 and Special Revenue - TIF #6 fund has a deficit balance of $828,510 at December 31, 2016. These deficits are anticipated to be funded by future tax increment revenues.

D. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	$ 24,102,921	$ 24,395,335	Custodial Credit
LGIP	301,000	301,000	Credit
Petty cash	550	-	Not Applicable
Total Cash and Investments	$ 24,404,471	$ 24,696,335	
Reconciliation to financial statements:			
Per statement of net position			
Unrestricted cash and investments	$ 12,764,405		
Restricted cash and investments	261,500		
Component unit cash and investments	43,049		
Per statement of assets and liabilities –			
Fiduciary Funds	11,335,517		
Total Cash and Investments	$ 24,404,471		

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts), $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Village maintains collateral agreements with its banks. At December 31, 2016, the banks had pledged various government securities in the amount of $20,411,439 to secure the Village's deposits. The remaining balance of approximately $4 million is insured through the FDIC.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2016, $20,411,439 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution	$ 20,411,439

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2016, the Village's investments held in the Local Government Investment Pool were not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year, except for delinquent personal property taxes of $1,260 and loans of $316,449.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable* and *unearned revenue* reported in the governmental funds were as follows:

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

	Unearned	Unavailable	Total
Property taxes receivable for subsequent year	$ 5,502,496	$ -	$ 5,502,496
TIF Loans receivable not yet due	-	316,449	316,449
Chimney Swift Loan receivable for subsequent year	11,606	-	11,606
Charges for service - refuse and garabage collection	393,675	-	393,675
Total Unearned/Unavailable Revenue for Governmental Funds	$ 5,907,777	$ 316,449	$ 6,224,226
Unearned revenue included in deferred inflows	$ 5,907,777		
Unavailable revenue included in deferred inflows	316,449		
Total Unearned/Unavailable Revenue for Governmental Funds	$ 6,224,226		

The TIF loans receivable of $214,951 in TIF 4 and $101,498 in TIF 5 for a total of $316,449 consist of development loans to be payable from future tax increment revenue from the TIF 4 and TIF 5 fund. If there is not sufficient tax increment revenue generated in a given year, loan payments are required to be paid by the developers involved.

Currently, the sewer utility has a loan receivable due from the Delafield-Hartland Water Pollution Control Commission (DHWPCC) in relation to the issuance of Clean Water Fund Revenue Bonds in 2005. The loan receivable balance at December 31, 2016 is $2,148,967. See Note III.F. for additional information on the corresponding debt.

C. RESTRICTED ASSETS

Cash and Investments

Restricted assets have been reported for unspent bond proceeds as cash and investments for utility projects.

Accrued Interest

Restricted assets have been reported for accrued interest for payment of a loan.

Loans Receivable

Restricted assets have been reported for loans receivable for payment of a loan.

Total restricted assets as of as of December 31, 2016 is $2,420,316.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	$ 612,637	$ -	$ -	$ 612,637
Construction in progress	8,364	6,734	8,364	6,734
Total Capital Assets Not Being Depreciated/Amortized	621,001	6,734	8,364	619,371
Capital assets being depreciated/amortized				
Buildings	7,571,673	51,182	-	7,622,855
Machinery and equipment	5,300,682	489,507	82,891	5,707,298
Intangibles	152,363	-	-	152,363
Roads	14,660,194	1,578,419	228,385	16,010,228
Other infrastructure	2,906,545	263,457	-	3,170,002
Storm sewers	8,395,855	468,558	403	8,864,010
Street lighting	341,143	-	-	341,143
Total Capital Assets Being Depreciated/Amortized	39,328,455	2,851,123	311,679	41,867,899
Less: Accumulated depreciation/amortization for				
Buildings	(2,848,390)	(196,412)	-	(3,044,802)
Machinery and equipment	(3,142,141)	(386,970)	(80,193)	(3,448,918)
Intangibles	(22,596)	(12,932)	-	(35,528)
Roads	(5,362,612)	(602,978)	(219,977)	(5,745,613)
Other infrastructure	(1,552,666)	(84,658)	-	(1,637,324)
Storm sewers	(2,280,965)	(144,506)	(391)	(2,425,080)
Street lighting	(164,592)	(17,057)	-	(181,649)
Total Accumulated Depreciation/Amortization	(15,373,962)	(1,445,513)	(300,561)	(16,518,914)
Net Capital Assets Being Depreciated/Amortized	23,954,493	1,405,610	11,118	25,348,985
Total Governmental Activities Capital Assets, Net of Depreciation/Amortization	$ 24,575,494	$ 1,412,344	$ 19,482	$ 25,968,356

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	$ 92,761
Police	84,801
Fire and ambulance	95,077
Public works, which includes the depreciation of roads, storm sewers and street lighting	1,019,572
Library	93,683
Parks and recreation	59,619
Total Governmental Activities Depreciation/Amortization Expense	$ 1,445,513

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 22,291	$ -	$ -	$ 22,291
Construction in progress	-	3,521	-	3,521
Total Capital Assets Not Being Depreciated	22,291	3,521	-	25,812
Capital assets being depreciated				
Buildings and improvements	788,743	80,000	-	868,743
Machinery and equipment	1,274,192	44,480	-	1,318,672
Water distribution system	14,780,765	2,027,682	194,939	16,613,508
Sewer collection system	8,366,352	811,295	-	9,177,647
Total Capital Assets Being Depreciated	25,210,052	2,963,457	194,939	27,978,570
Less: Accumulated depreciation for				
Buildings and improvements	(303,915)	(25,081)	-	(328,996)
Machinery and equipment	(1,285,849)	(138,037)	-	(1,423,886)
Water distribution system	(4,663,294)	(312,977)	(191,998)	(4,784,273)
Sewer collection system	(4,192,861)	(214,032)	-	(4,406,893)
Total Accumulated Depreciation	(10,445,919)	(690,127)	(191,998)	(10,944,048)
Net Capital Assets Being Depreciated	14,764,133	2,273,330	2,941	17,034,522
Business-type Activities Capital Assets, Net of Depreciation	$ 14,786,424	$ 2,276,851	$ 2,941	$ 17,060,334

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	$ 427,028
Sewer	263,099
Total Business-Type Activities Depreciation Expense	$ 690,127

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Special Revenue - TIF #4	$ 641,621	$ 641,621
General Fund	Special Revenue - TIF #5	77,591	77,591
General Fund	Special Revenue - TIF #6	828,510	828,510
Subtotal - Fund financial statements		1,547,722	
Less: Fund eliminations		(1,547,722)	
Total Internal Balances - Government-Wide Statement of Net Position		$ -	

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Enterprise Fund - Water Utility	$ 218,059	Payment of tax equivalent.
General Fund	Enterprise Fund - Sewer Utility	7,150	Payment of tax equivalent.
Capital Projects Fund Corporate Reserve	General Fund	290,225	Provide financing for the purchase of equipment
Capital Projects Fund Developer Fund	Special Revenue Fund TIF #6	5,000	Provide financing for payment of engineering per developer agreement
Capital Projects Fund Developer Fund	Capital Projects Fund Village Projects	32,146	Provide financing for share in developer engineering expenses related to village items
Subtotal - Fund financial statements		552,580	
Less: Fund eliminations		(327,371)	
Total Transfers - Government-Wide Statement of Activities		$ 225,209	

Entity Transferred To	Entity Transferred From	
Governmental Activities	Business-Type Activities	$ 225,209

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within governmental or business type activities are netted and eliminated.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	$ 13,968,977	$ -	$ 784,854	$ 13,184,123	$ 844,854
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	340,841	-	19,822	321,019	-
Sub-total	14,309,818	-	804,676	13,505,142	844,854
Other Liabilities					
Net pension liability	(606,703)	1,001,913	-	395,210	-
Compensated absences	392,843	333,777	336,644	389,976	70,706
Sub-total	(213,860)	1,335,690	336,644	785,186	70,706
Total Governmental Activities Long-Term Liabilities	$ 14,095,958	$ 1,335,690	$ 1,141,320	$ 14,290,328	$ 915,560
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	$ 2,605,000	$ -	$ 135,000	$ 2,470,000	$ 195,000
Revenue Bonds Payable	2,423,988	-	275,021	2,148,967	282,584
Net pension liability	(86,041)	141,113	-	55,072	-
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	97,383	-	7,875	89,508	-
Total Business-type Activities Long-Term Liabilities	$ 5,040,330	$ 141,113	$ 417,896	$ 4,763,547	$ 477,584

General Obligation Debt

All general obligation notes and bonds 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 or tax increments accumulated by the debt service fund.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2016, was $60,547,080. Total general obligation debt outstanding at year end was $15,654,123.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Type/Series	Date of Issue	Final Maturity	Interest Rates	Orginal Amount	Balance 12/31/2016
Governmental Activities					
General Obligation Bonds					
2006	3/1/06	2/1/25	3.5-4.1%	$ 2,700,000	$ 100,000
2009	2/3/09	2/1/29	2.0-4.12	3,125,000	2,425,000
2010	12/1/10	12/1/17	0.8-2.0	1,840,000	335,000
2012	11/14/12	10/1/32	2.0-3.0	3,780,000	3,315,000
2013	12/05/13	6/1/30	2.5-3.3	4,935,000	4,520,000
2014	11/10/14	2/15/22	-	38,831	29,123
2015	11/03/15	10/1/35	2.5-3.0	2,460,000	2,460,000
Total Governmental Activities - General Obligation Debt					$ 13,184,123
Business-type Activities					
General Obligation Bonds					
2006	3/1/06	2/1/25	3.5-4.1%	$ 650,000	$ 35,000
2012	11/14/12	10/1/31	2.0-3.0	2,300,000	1,920,000
2015	11/03/15	10/1/31	2.5-3.0	515,000	515,000
Total Business-type Activities - General Obligation Debt					$ 2,470,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-type Activities General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2017	$ 844,854	$ 383,134	$ 1,227,988	$ 195,000	$ 58,132	$ 253,132
2018	819,854	360,153	1,180,007	190,000	53,676	243,676
2019	829,854	338,171	1,168,025	185,000	49,326	234,326
2020	849,854	315,128	1,164,982	195,000	45,126	240,126
2021	899,854	287,978	1,187,832	200,000	39,276	239,276
2022-2026	4,434,853	1,049,068	5,483,921	950,000	118,482	1,068,482
2027-2031	3,555,000	393,405	3,948,405	555,000	37,322	592,322
2032-2035	950,000	63,563	1,013,563	-	-	-
Totals	$ 13,184,123	$ 3,190,600	$ 16,374,723	$ 2,470,000	$ 401,340	$ 2,871,340

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Bond Debt

The Village has issued Clean Water Fund Revenue Bonds in the amount of $5,000,000 for expansion and upgrade of the sewerage treatment facility owned and operated by the Delafield-Hartland Water Pollution Control Commission (DHWPCC). The proceeds of the bonds have been loaned to the DHWPCC. The loan receivable between the Village and DHWPCC is equal to the related debt service requirements. The total principal and interest remaining to be paid on the bonds is $2,362,214. Principal and interest paid on the debt during the year was $337,899.

Type/Series	Date of Issue	Final Maturity	Interest Rates	Orginal Amount	Balance 12/31/2016
Revenue Bonds					
2003	6/11/03	5/1/23	2.75%	$ 5,000,000	$ 2,148,967

Principal and interest to maturity are as follows:

Years	Business-type Activities Revenue Bond Debt		
	Principal	Interest	Total
2017	$ 282,584	$ 55,211	$ 337,795
2018	290,355	47,333	337,688
2019	298,338	39,239	337,577
2020	306,544	30,921	337,465
2021	314,974	22,376	337,350
2022-2023	656,172	18,167	674,339
Totals	$ 2,148,967	$ 213,247	$ 2,362,214

OTHER DEBT INFORMATION

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

G. LEASE DISCLOSURES

The Village has no material leases as lessee or lessor.

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (DEFICITS)

Net position reported on the government wide statement of net position at December 31, 2016 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	$ 612,637
Construction in progress	6,734
Capital assets, net of accumulated depreciation/amortization	25,348,985
Less: capital related long-term debt outstanding	(13,184,123)
Plus: unspent capital related debt proceeds	1,470,083
Plus: unamortized loss on refunding	120,138
Less: unamortized premium/discount	(321,019)
Total Net Investment in Capital Assets	14,053,435
Restricted for:	
Library	79,418
Impact fees	261,135
EMS Act 102	14,806
Developer fund	575
Debt Service	73,007
Total Restricted	428,941
Unrestricted	7,891,576
Total Governmental Activities Net Position	$ 22,373,952

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (DEFICITS) (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2016, include the following:

Nonspendable	
Major Fund	
General Fund	
Non-current receivables	$ 1,548,982
Restricted	
Major Funds	
General Fund	
EMS Act 102	$ 14,806
Debt Service Fund	$ 160,899
Capital Projects Fund - Village Projects - Unspent bond proceeds	$ 1,470,083
Non-Major Funds	
Special Revenue Funds	
Special Library Fund	$ 79,418
Impact Fees Fund	$ 261,135
Capital Projects Fund	
Developers Fund	$ 575
Committed	
Non-Major Funds	
Special Revenue Funds	
Refuse and Garbage Collection Fund	$ 75,685
Criminal Investigation Task Force Fund	$ 31,295
Major Incident Task Force Fund	$ 632

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (DEFICITS) (cont.)

Governmental Funds (cont.)

Assigned	
Major Funds	
General Fund	
Future asset purchases	$ 551,517
Future assessment	171,200
Comprehensive planning	74,622
GIS system	22,421
Veterans memorial	1,393
Employee benefits	389,976
Recreation and celebrations	22,890
Municipal donations	4,861
Fine arts	6,816
Heritage Grant	100
Police armored vest	3,176
Cemetary perpetual care	74,877
Subdivision trees	19,192
Asset forfeiture	1,476
Ambulance donations	74,267
Total	$ 1,418,784
Capital Projects Funds	
Village Projects	
Boardwalk	$ 149,031
Future development	926,697
Community center development	50,000
Library development	50,843
Future road projects	70,720
Fees in lieu of dedication	56,183
Total	$ 1,303,474
Corporate Reserve	$ 1,379,400

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Unassigned (Deficit)	
Major Funds	
General Fund	$ 2,591,704
Special Revenue Funds	
TIF #4	$ (641,621)
TIF #5	$ (77,591)
TIF #6	$ (828,510)
Total Governmental Fund Balances	$ 8,789,150

Business-Type Activities

Net Investment in Capital Assets	
Land	$ 22,291
Construction in progress	3,521
Other Capital assets, net of accumulated depreciation	17,034,522
Less: Capital related long-term debt outstanding	(2,470,000)
Add: unspent debt proceeds	261,500
Add: unamortized loss on refunding	34,279
Less: unamortized premium	(89,508)
Total Net Investment in Capital Assets	14,796,605
Unrestricted	3,575,577
Total Net Position	$ 18,372,182

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT

This report contains the Hartland Business Improvement District (BID), which is included as a component unit. Financial information is presented as a discrete column in the statement of assets and statement of activities.

In addition to the basic financial statements and the preceding notes to the financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the BID's deposits was $43,049 and is part of the Village's commingled cash. See Note III.A.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

General Information About the 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 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at http://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.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3%
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

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 $262,428 in contributions from the Village.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General	6.6%	6.6%
Protective with Social Security	6.6%	9.4%

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2016, the Village reported a liability of $450,282 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the Village's proportion was .02771005% which was a decrease of .00049298% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Village recognized pension expense of $538,086.

At December 31, 2016, the Village reported deferred outflows of resources related to pensions and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Summary of deferred outflows and inflows		
Differences between projected and actual experiences	$ 76,175	$ 947,613
Changes of actuarial assumptions	315,038	-
Net differences between projected and actual earnings on pension plan investments	1,843,588	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,521	-
Employer contributions subsequent to the measurement date	275,377	-
Totals	$ 2,524,699	$ 947,613

$275,377 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	$ 583,930	$ 229,324
2018	583,930	229,324
2019	583,930	229,324
2020	487,093	229,324
2021	10,439	30,317

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2014
Measurement date of net pension asset	December 31, 2015
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.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension asset for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	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	5.0

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 3.56%. 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.

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the Village's proportionate share of the net pension liability 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%)
Village's proportionate share of the net pension liability (asset)	$ 3,158,293	$ 450,282	$ (1,664,721)

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.

At December 31, 2016, the Village reported a payable to the pension plan of $57,392, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees. However, risks related to dental care of its employees are accounted for and financed by the Village in an internal service fund.

Self Insurance

For dental claims, the uninsured risk of loss is $1,500 per incident and $1,500 in aggregate for a policy year. All funds of the Village participate in the risk management program. Amounts payable to the internal service fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses.

All funds of the Village participate in the risk management programs. Amounts payable to the Dental fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. $173,106 was assigned for that reserve at year end, and is included in unreserved net position of the internal service fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The Village does not allocate overhead costs or other non-incremental costs to the claims liability.

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

	Prior Year	Current Year
Unpaid claims – Beginning of Year	$ 10,485	$ 1,713
Current year claims and changes in estimates	35,276	53,189
Claim payments	(44,048)	(50,375)
Unpaid Claims – End of Year	$ 1,713	$ 4,527

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. MUNICIPAL REVENUE OBLIGATIONS

In 2016, the Village issued a municipal revenue obligation as part of a development agreement. The amount of the obligation is $1.222 million, and is payable to the developer solely from tax increments collected from a specific development in TIF #6.

The obligation has no established repayment terms. The obligation matures upon the earlier of 2034 or payment in full of the municipal revenue obligation. In no case, shall the term of this obligation and the Village's obligation to make payments, extend beyond 2034, nor shall the amount of principal to be paid under the obligation exceed $1.222 million.

NOTE IV – OTHER INFORMATION (cont.)

D. **MUNICIPAL REVENUE OBLIGATION** *(CONT.)*

The obligation does not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future tax increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end is $1.222 million.

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73*

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

VILLAGE OF HARTLAND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

F. JOINT VENTURES

Delafield-Hartland Water Pollution Control Commission

The Delafield-Hartland Water Pollution Control Commission (Commission) was created for the purpose of providing sewage collection, treatment and distribution services. The Commission was created in 1971 by ordinances adopted by the City of Delafield and the Village of Hartland. Each municipality appoints 4 members to the commission. The Commission issued sewer revenue bonds in September 1978 (refinanced in 1992) for the purpose of constructing wastewater treatment facilities. The Commission issues separate financial statements and copies can be obtained by writing to them.

The Commission has entered into service contracts with the City of Delafield and the Villages of Hartland and Nashotah to treat wastewater. The contract requires monthly user charges based on the number of Domestic User Equivalents (DUE's) connected to the system. The municipalities are also required to pay connection charges for new customers added to the system. The Village of Hartland sewer utility accrued $827,847 in user charges for the year ended December 31, 2016. As of December 31, 2016, the Village has a liability accrued of $360,137 for connection fees. See Note III.E. regarding Village debt obligations related to the Commission.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON - GAAP)
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 4,239,991	$ 4,239,991	$ 4,253,228	$ 13,237
Intergovernmental	1,322,308	1,322,308	1,423,173	100,865
Licenses and permits	214,300	386,800	389,546	2,746
Fines, forfeitures and penalties	69,000	69,000	70,804	1,804
Public charges for services	513,050	513,050	715,577	202,527
Interdepartmental revenue	52,000	52,000	53,700	1,700
Investment income	18,000	18,000	35,048	17,048
Miscellaneous revenues	98,000	98,000	105,032	7,032
Total Revenues	6,526,649	6,699,149	7,046,108	346,959
EXPENDITURES				
Current				
General government	922,959	983,459	844,180	139,279
Police	2,317,100	2,317,100	2,351,822	(34,722)
Fire protection	632,250	632,250	641,860	(9,610)
Public works	1,396,900	1,396,900	1,376,372	20,528
Health and human services	17,540	17,540	13,753	3,787
Library	690,450	690,450	672,397	18,053
Parks	326,725	326,725	396,901	(70,176)
Conservation and development	96,490	208,490	188,850	19,640
Capital Outlay	66,510	66,510	49,245	17,265
Total Expenditure	6,466,924	6,639,424	6,535,380	104,044
Excess of revenues over expenditures	59,725	59,725	510,728	451,003
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	500	500	1,042	542
Transfers in	230,000	230,000	225,209	(4,791)
Transfers out	(290,225)	(290,225)	(290,225)	-
Total Other Financing Sources (Uses)	(59,725)	(59,725)	(63,974)	(4,249)
Net Change in Fund Balances	$ -	$ -	446,754	$ 446,754
Adjustment to Generally Accepted Accounting Principles Basis				
Appropriations credited to designated funds			12,000	
Revenue credited to designated funds			64,676	
Expenditures charged to designated funds			(52,036)	
Net change in fund balances - GAAP			471,394	
FUND BALANCES - Beginning of Year			5,102,882	
FUND BALANCES - END OF YEAR			$ 5,574,276	

VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE - TIF #4 FUND
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ -	$ 9,077	$ 9,077
Intergovernmental	1,200	2,342	1,142
Total Revenues	1,200	11,419	10,219
EXPENDITURES			
Current			
General government	167	170	(3)
Conservation and development	150	3,650	(3,500)
Total Expenditures	317	3,820	(3,503)
Excess (deficiency) of revenues over expenditures	$ 883	7,599	$ 6,716
FUND BALANCES (DEFICIT) - Beginning of Year		(649,220)	
FUND BALANCES (DEFICIT) - END OF YEAR		$ (641,621)	

VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE - TIF #5 FUND
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 22,000	$ 23,743	$ 1,743
Intergovernmental	500	278	(222)
Total Revenues	22,500	24,021	1,521
EXPENDITURES			
Current			
General government	167	170	(3)
Conservation and development	150	360	(210)
Total Expenditures	317	530	(213)
Excess of revenues over expenditures	$ 22,183	23,491	$ 1,308
FUND BALANCES (DEFICIT) - Beginning of Year		(101,082)	
FUND BALANCES (DEFICIT) - END OF YEAR		$ (77,591)	

See independent auditors' report and accompanying notes

VILLAGE OF HARTLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE - TIF #6 FUND
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES	$ -	$ -	$ -
EXPENDITURES			
Current			
General government	167	170	(3)
Conservation and development	150	658,764	(658,614)
Total Expenditures	317	658,934	(658,617)
Excess (deficiency) of revenues over expenditures	$ (317)	(658,934)	$ (658,617)
OTHER FINANCING USES			
Transfers out	-	(5,000)	(5,000)
Total Other Financing Uses	-	(5,000)	(5,000)
Net Change in Fund Balances	$ (317)	(663,934)	$ (663,617)
FUND BALANCES (DEFICIT) - Beginning of Year		(164,576)	
FUND BALANCES (DEFICIT) - END OF YEAR		$ (828,510)	

VILLAGE OF HARTLAND

SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/14	0.028203030%	$ (692,744)	$ 3,224,004	21.49%	102.74%
12/31/15	0.027710050%	450,282	3,278,242	13.74%	98.20%

VILLAGE OF HARTLAND

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

WRS Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 264,330	$ (264,330)	$ -	$ 3,278,242	8.06%
12/31/16	275,377	(275,377)	-	3,481,061	7.91%

VILLAGE OF HARTLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
As of and for the Year Ended December 31, 2016

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C., except actual (non-GAAP) revenues and expenditures do not reflect certain transactions of designated funds.

The budgeted amounts presented include any amendments made. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

Appropriations lapse at year end unless specifically carried over. Budgets are adopted at the function level of expenditure.

Wisconsin Retirement System (WRS) Pension

The amounts presented in relation to the schedule of employer's proportionate share of the net pension liabililty and the schedule of employer contributions represents the specific data of the Village. The information was derived using a combination of the employer's contribution data along with data provided by the Wisconsin Retirement System in relation to the Village as a whole.

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

Changes in assumptions. There were no changes in the assumptions.

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

See independent auditors' report.

SUPPLEMENTARY INFORMATION

VILLAGE OF HARTLAND

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2016

	Special Revenue Funds					Capital Projects Fund	
	Refuse and Garbage Collection	Special Library	Impact Fees	Criminal Investigation Task Force	Major Incident Task Force	Developers	Totals
ASSETS							
Cash and investments	$ 106,659	$ 79,418	$ 261,135	$ 33,135	$ 632	$ 10,548	$ 491,527
Receivables							
Taxes	393,675	-	-	-	-	-	393,675
TOTAL ASSETS	$ 500,334	$ 79,418	$ 261,135	$ 33,135	$ 632	$ 10,548	$ 885,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 30,974	$ -	$ -	$ 1,840	$ -	$ 9,973	$ 42,787
Deferred inflows of resources							
Unearned revenues	393,675	-	-	-	-	-	393,675
Total Liabilities and Deferred Inflows of Resources	424,649	-	-	1,840	-	9,973	436,462
Fund Balances							
Restricted	-	79,418	261,135	-	-	575	341,128
Committed	75,685	-	-	31,295	632	-	107,612
Total Fund Balances	75,685	79,418	261,135	31,295	632	575	448,740
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 500,334	$ 79,418	$ 261,135	$ 33,135	$ 632	$ 10,548	$ 885,202

VILLAGE OF HARTLAND

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
For the Year Ended December 31, 2016

	Special Revenue Funds					Capital Projects Fund	
	Refuse and Garbage Collection	Special Library	Impact Fees	Criminal Investigation Task Force	Major Incident Task Force	Developers	Totals
REVENUES							
Intergovernmental	$ 18,896	$ -	$ -	$ 36,000	$ -	$ -	$ 54,896
Public charges for services	392,694	-	156,666	-	-	223,147	772,507
Public improvement revenues	-	13,247	-	-	-	-	13,247
Investment income	1,387	504	1,077	-	-	-	2,968
Total Revenues	412,977	13,751	157,743	36,000	-	223,147	843,618
EXPENDITURES							
Current							
Police	-	-	-	25,022	1,219	-	26,241
Health and human services	382,477	-	-	-	-	-	382,477
Library	-	36,358	-	-	-	-	36,358
Capital Outlay	-	-	-	-	-	164,242	164,242
Total Expenditure	382,477	36,358	-	25,022	1,219	164,242	609,318
Excess (deficiency) of revenues over expenditures	30,500	(22,607)	157,743	10,978	(1,219)	58,905	234,300
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	37,146	37,146
Total Other Financing Sources	-	-	-	-	-	37,146	37,146
Net Change in Fund Balances	30,500	(22,607)	157,743	10,978	(1,219)	96,051	271,446
FUND BALANCES (DEFICITS) - Beginning of Year	45,185	102,025	103,392	20,317	1,851	(95,476)	177,294
FUND BALANCES - END OF YEAR	$ 75,685	$ 79,418	$ 261,135	$ 31,295	$ 632	$ 575	$ 448,740

VILLAGE OF HARTLAND

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2016

	Business Improvement District
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to vendors	$ (40,191)
Payments to employees	(26,326)
Net Cash Flows From Operating Activities	(66,517)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Taxes levied	70,000
Donation	250
Contribution from municipality	9,580
Net Cash Flows From Noncapital Financing Activities	79,830
Net Change in Cash and Cash Equivalents	13,313
CASH AND CASH EQUIVALENTS - Beginning of Year	29,736
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 43,049
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (67,536)
Changes in assets and liabilities	
Accounts payable	1,019
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (66,517)

VILLAGE OF HARTLAND

SUMMARY OF LONG-TERM DEBT
As of December 31, 2016

Governmental Activities	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance Outstanding 12/31/2015	Additions	Payments	Balance Outstanding 12/31/2016	Interest Paid	Principal Due 2017
General Obligation Bonds	03/01/06	3.5-4.1%	02/1/07-25	6/1 & 12/1	$ 2,700,000	$ 175,000	$ -	$ 75,000	$ 100,000	$ 5,089	$ 100,000
	02/03/09	2.0-4.12	02/1/10-29	2/1 & 8/1	3,125,000	2,500,000	-	75,000	2,425,000	93,381	75,000
	12/01/10	0.8-2.0	12/1/11-17	6/1 & 12/1	1,840,000	665,000	-	330,000	335,000	12,310	335,000
	11/14/12	2.0-3.0	10/1/13-32	4/1 & 10/1	3,780,000	3,450,000	-	135,000	3,315,000	76,734	155,000
	12/05/13	2.5-3.3	06/1/14-30	6/1 & 12/1	4,935,000	4,685,000	-	165,000	4,520,000	141,163	100,000
	11/10/14	-	2/15/15-22	2/15	38,831	33,977	-	4,854	29,123	-	4,854
	11/03/15	2.5-3.0	10/1/17-35	4/1 & 10/1	2,460,000	2,460,000	-	-	2,460,000	65,873	75,000
TOTAL GENERAL OBLIGATION BONDS						$ 13,968,977	$ -	$ 784,854	$ 13,184,123	$ 394,550	$ 844,854

ANNUAL PRINCIPAL AND INTEREST PAYMENTS
TO MATURITY ON LONG-TERM DEBT

Year	Principal	Interest	Total	Balance Outstanding
2016				$ 13,184,123
2017	$ 844,854	$ 383,134	$ 1,227,988	12,339,269
2018	819,854	360,153	1,180,007	11,519,415
2019	829,854	338,171	1,168,025	10,689,561
2020	849,854	315,128	1,164,982	9,839,707
2021	899,854	287,978	1,187,832	8,939,853
2022	894,853	260,246	1,155,099	8,045,000
2023	860,000	236,059	1,096,059	7,185,000
2024	910,000	211,321	1,121,321	6,275,000
2025	910,000	184,740	1,094,740	5,365,000
2026	860,000	156,702	1,016,702	4,505,000
2027	860,000	129,378	989,378	3,645,000
2028	855,000	101,912	956,912	2,790,000
2029	820,000	74,171	894,171	1,970,000
2030	685,000	51,176	736,176	1,285,000
2031	335,000	36,768	371,768	950,000
2032	350,000	27,563	377,563	600,000
2033	200,000	18,000	218,000	400,000
2034	200,000	12,000	212,000	200,000
2035	200,000	6,000	206,000	-
	$ 13,184,123	$ 3,190,600	$ 16,374,723	

VILLAGE OF HARTLAND

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA
2012 - 2016 Tax Rolls

	2012	2013	2014	2015	2016
STATE TAXES	$ 191,742	$ 191,668	$ 198,147	$ 201,930	$ 205,504
COUNTY TAXES	2,377,621	2,421,651	2,427,115	2,425,107	2,412,903
LOCAL TAXES					
Village property taxes	5,143,812	5,195,250	5,221,227	5,357,668	5,465,692
Omitted taxes	52,632	-	-	-	-
Tax Increment District taxes	7,026	6,320	20,261	32,819	36,804
Total Local Taxes	5,203,470	5,201,570	5,241,488	5,390,487	5,502,496
SCHOOL TAXES					
Swallow School District	1,632,530	1,713,700	1,752,457	1,775,978	1,786,151
Merton Community School District	194	185	190	3,214	72,965
School District of Hartland - Lakeside School	5,660,834	5,646,939	5,894,352	5,805,802	5,381,565
Lake Country School District	790,354	796,067	779,966	807,610	797,802
Arrowhead Union High School District	4,139,292	3,950,449	4,028,523	4,072,343	4,071,296
Waukesha County Technical College	1,468,955	1,485,500	453,801	451,040	445,240
Total School Taxes	13,692,159	13,592,840	12,909,289	12,915,987	12,555,019
Total General Property Taxes	21,464,992	21,407,729	20,776,039	20,933,511	20,675,922
SPECIAL ASSESSMENTS AND SPECIAL CHARGES					
Refuse removal	453,050	468,125	389,470	389,035	393,675
BID District	70,000	70,000	70,000	70,000	70,000
Other	3,480	1,528	1,644	857	-
Total Special Assessments and Special Charges	526,530	539,653	461,114	459,892	463,675
DELINQUENT UTILITY CHARGES					
Water Utility	16,171	9,092	7,775	5,580	6,747
Sewer Fund	16,391	8,871	26,472	4,884	5,307
Total Delinquent Utility Charges	32,562	17,963	34,247	10,464	12,054
TOTAL TAX ROLL	$ 22,024,084	$ 21,965,345	$ 21,271,400	$ 21,403,867	$ 21,151,651
ASSESSED VALUATION	$ 1,119,757,300	$ 1,178,545,500	$ 1,165,405,100	$ 1,172,829,300	$ 1,191,366,660
EQUALIZED VALUATION	$ 1,129,849,800	$ 1,129,413,700	$ 1,167,590,600	$ 1,189,880,500	$ 1,210,941,600
RATIO OF ASSESSMENT	99.11%	104.35%	99.81%	98.57%	98.38%

APPENDIX B

FORM OF LEGAL OPINION

(See following pages.)

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

December 5, 2017

Re: Village of Hartland, Wisconsin ("Issuer")
$5,695,000 General Obligation Corporate Purpose Bonds, Series 2017A, dated December 5, 2017 ("Bonds")

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

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

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

Year	Principal Amount	Interest Rate
2018	$ 85,000	___%
2019	375,000	___
2020	375,000	___
2021	410,000	___
2022	365,000	___
2023	360,000	___
2024	405,000	___
2025	400,000	___
2026	395,000	___
2027	395,000	___
2028	390,000	___
2029	360,000	___
2030	175,000	___
2031	175,000	___
2032	175,000	___
2033	175,000	___
2034	170,000	___
2035	170,000	___
2036	170,000	___
2037	170,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2018.

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

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Hartland, Waukesha County, Wisconsin (the "Issuer") in connection with the issuance of $5,695,000 General Obligation Corporate Purpose Bonds, Series 2017A, dated December 5, 2017 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on October 9, 2017 and November 13, 2017 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

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

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

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

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

"Final Official Statement" means the Final Official Statement dated November 14, 2017 delivered in connection with the Securities, which is available from the MSRB.

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

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

"Issuer" means the Village of Hartland, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director/Treasurer of the Issuer who can be contacted at 210 Cottonwood Avenue, 2nd Floor, Hartland, Wisconsin 53029, phone (262) 367-2714, fax (262) 367-2430.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2017, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

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

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

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

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

9. Defeasances;

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

11. Rating changes;

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

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 5th day of December, 2017.

_____
Jeffrey Pfannerstill
President

(SEAL)

_____
Darlene Igl
Village Clerk

APPENDIX E

NOTICE OF SALE

$5,695,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2017A
VILLAGE OF HARTLAND, WISCONSIN

Bids for the purchase of $5,695,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Bonds") of the Village of Hartland, Wisconsin (the "Village") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on November 13, 2017, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing street improvement projects; sewerage projects consisting of storm water projects; parks and public grounds projects; parking lot projects; and to refund certain obligations of the Village. The Bonds are valid and binding general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated December 5, 2017, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on November 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2018	$85,000	2025	$400,000	2032	$175,000
2019	375,000	2026	395,000	2033	175,000
2020	375,000	2027	395,000	2034	170,000
2021	410,000	2028	390,000	2035	170,000
2022	365,000	2029	360,000	2036	170,000
2023	360,000	2030	175,000	2037	170,000
2024	405,000	2031	175,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2018, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

OPTIONAL REDEMPTION

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

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

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

DELIVERY

On or about December 5, 2017, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than $5,623,813 nor more than $6,036,700 plus accrued interest on the principal sum of $5,695,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or

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

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

A good faith deposit ("Deposit") in the amount of $113,900 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

CONTINUING DISCLOSURE

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

NEW ISSUE PRICING

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

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

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

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

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

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

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

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

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

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

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

The winning bidder shall promptly advise the Village when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5^{th}) business day after the sale date.

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the Underwriter agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwrier that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if an for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

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

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

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

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Board of Trustees

Darlene Igl, Village Clerk
Village of Hartland, Wisconsin

BID FORM

The Board of Trustees **November 13, 2017**
Village of Hartland, Wisconsin
RE: $5,695,000* General Obligation Corporate Purpose Bonds, Series 2017A
DATED: December 5, 2017

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you $_____ (not less than $5,623,813 nor more than $6,036,700) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2018	_____	% due	2025	_____	% due	2032
_____	% due	2019	_____	% due	2026	_____	% due	2033
_____	% due	2020	_____	% due	2027	_____	% due	2034
_____	% due	2021	_____	% due	2028	_____	% due	2035
_____	% due	2022	_____	% due	2029	_____	% due	2036
_____	% due	2023	_____	% due	2030	_____	% due	2037
_____	% due	2024	_____	% due	2031			

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

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our Deposit in the amount of $113,900, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138.** Such Deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 5, 2017.

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

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

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

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

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

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 5, 2017 of the above bid is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Hartland, Wisconsin, on November 13, 2017.

By: _____ By: _____

Title: _____ Title: _____