

# PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 9, 2018

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.**

## VILLAGE OF WESTON, WISCONSIN (Marathon County)

### \$2,600,000\* WATERWORKS SYSTEM REVENUE BONDS, SERIES 2018B

**BID OPENING:** October 15, 2018, 10:00 A.M., C.T.

**CONSIDERATION:** October 15, 2018, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$2,600,000\* Waterworks System Revenue Bonds, Series 2018B (the "Bonds") of the Village of Weston, Wisconsin (the "Village") are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements, extensions and additions to the Village's Waterworks System (the "Utility System"), consisting of the acquisition and installation of meter reading equipment and test well pumping and to refund certain obligations of the Village issued for that purpose. The Bonds are not general obligations of the Village but are payable only from the net revenues of the Utility System. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF BONDS:** November 1, 2018

**MATURITY:** May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2019	\$260,000	2026	\$75,000	2033	\$95,000
2020	265,000	2027	80,000	2034	100,000
2021	275,000	2028	80,000	2035	100,000
2022	140,000	2029	85,000	2036	105,000
2023	145,000	2030	85,000	2037	110,000
2024	145,000	2031	90,000	2038	115,000
2025	160,000	2032	90,000		

**\*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, 2019 and semiannually thereafter.

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

**MINIMUM BID:** \$2,567,500.

**MAXIMUM BID:** \$2,756,000.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$52,000 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Village officer or a bank or trust company to be selected by the Village.

**BOND COUNSEL & DISCLOSURE COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



## REPRESENTATIONS

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

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

		<u>Term Expires</u>
Barbara J. Ermeling	Village Board President	April 2019
Mark Maloney	Village Trustee	April 2020
Kevin Ostrowski	Village Trustee	April 2019
Wally Sparks	Village Trustee	April 2020
Yee Leng Xiong	Village Trustee	April 2020
Hooshang Zeyghami	Village Trustee	April 2019
Jon Ziegler	Village Trustee	April 2019

## ADMINISTRATION

Keith Donner, Acting Administrator/Director of Public Works and Utilities

Jessica Trautman, Finance Director/Treasurer

Sherry L. Weinkauff, Village Clerk

## PROFESSIONAL SERVICES

Matthew E. Yde, Village Attorney, Wausau, 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 Preliminary Official Statement contains certain information regarding the Village of Weston, Wisconsin (the "Village") and the issuance of its \$2,600,000\* Waterworks System Revenue Bonds, Series 2018B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Authorizing Resolution") to be adopted by the Board of Trustees on October 15, 2018.

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](http://www.ehlers-inc.com) by connecting to the link to the Bond Sales 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 November 1, 2018. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2019, 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 2020 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 Authorizing Resolution.

The Village may designate a Village officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

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

\*Preliminary, subject to change.

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.

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements, extensions and additions to the Village’s Waterworks System (the "Utility System"), consisting of the acquisition and installation of meter reading equipment and test well pumping and to current refund the Waterworks System Revenue Bonds, Series 2006B, dated January 1, 2006 (the “2006 Bonds”) as follows:

<b>Issue Being Refunded</b>	<b>Date of Refunded Issue</b>	<b>Call Date</b>	<b>Call Price</b>	<b>Maturities Being Refunded</b>	<b>Interest Rate</b>	<b>Principal to be Refunded</b>
2006 Bonds	1/1/06	11/20/18	100%	2019	4.00%	\$205,000
				2020	4.00%	215,000
				2021	4.05%	225,000
				2025	4.20%	<u>395,000</u>
<b>Total Principal</b>						<b>\$1,040,000</b>

## ESTIMATED SOURCES AND USES\*

### Sources

Par Amount of Bonds	\$2,600,000	
Transfers from 2006 Bonds Reserve Account	250,703	
Estimated Interest Earnings	<u>1,797</u>	
<b>Total Sources</b>		<b>\$2,852,500</b>

### Uses

Estimated Underwriter's Discount	\$32,500	
Costs of Issuance	64,650	
Deposit to Reserve Account	211,702	
Deposit to Project Construction Fund	1,490,000	
Deposit to Refunding Fund	1,049,327	
Rounding Amount	<u>4,321</u>	
<b>Total Uses</b>		<b>\$2,852,500</b>

\*Preliminary, subject to change

## SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Authorizing Resolution, which is available upon request from Ehlers.

**Source of Payment:** THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE BUT ARE payable only from the net revenues of the Utility System.

The Village pledges the net revenues (after payment of operation and maintenance expenses) of the Utility System for payment of principal of and interest on the Bonds.

**Rate Covenant:** The Village covenants to establish, charge and collect such lawfully established rates and charges for the services provided by the Utility System so that net revenues (i.e. gross revenues derived from said rates and charges less all costs of operation and maintenance, exclusive of debt service, depreciation, or local tax equivalents) will be at least 1.25 times the amount of principal and interest coming due on all outstanding Bonds and parity bonds payable from the income and revenues of the Utility System each year.

**Additional Bonds Test:** The Village reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Utility System revenues and ranking on a parity with any outstanding Utility System revenue bonds. Before such additional parity bonds are issued, the Village must demonstrate, among other things, that either (1) the net revenues of the System during the fiscal year next preceding the issuance of such additional revenue bonds were equal to at least 1.25 times the average combined annual amount that will be required in any fiscal year for principal and interest on all outstanding bonds and the bonds then proposed to be issued, or (2) that for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by the additional bonds are to be completed, the projected net revenues of the System will be in an amount not less than 125% of the projected maximum annual debt service on all outstanding bonds payable from the revenues of the System and on the bonds then to be issued.

**Service to Village:** The Village is to pay the reasonable cost and value of any services rendered to the Village by the Utility System equal to the amount which, together with revenues of the Utility System, will produce net revenues

equivalent to not less than 1.25 times the annual debt service requirements on the Bonds and any other outstanding parity bonds. Such payment by the Village is subject to annual appropriation by the Board of Trustees and other conditions set forth in the Bond Resolution.

**Bond Reserve Account:** The Village covenants to establish and maintain a Reserve Account in an amount, determined as of the date of the issuance of the Bonds, equal to the least of (a) 10% of the stated principal amount of the Bonds (to the extent permitted pursuant to the Internal Revenue Code of 1986, as amended, and regulations thereunder) (the "Code" and "Regulations"); (b) the maximum annual debt service on the Bonds; and (c) 125% of average annual debt service on the outstanding Bonds; provided, however that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds. Upon issuance of the Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the reserve requirement will be deposited in the Reserve Account. If parity bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the parity bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such parity bonds, plus the amount permitted to be deposited therein from proceeds of the parity bonds pursuant to the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the parity bonds to be issued; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the parity bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and the parity bonds.

#### **UTILITY SYSTEM REVENUE DEBT OUTSTANDING**

All outstanding Utility System Revenue debt of the Village is listed on the following page. The debt service coverage ratios included on this page are calculated using 2017 draft audited Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2017, and future Net Revenues may be materially different.

#### **HISTORIC UTILITY SYSTEM DEBT SERVICE COVERAGES**

The exhibit on the Page 6 presents the three-year historic debt service coverages of the Utility System.



**VILLAGE OF WESTON, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Waterworks Revenues**  
**(As of November 1, 2018)**

**WATERWORKS**  
**SYS REV BONDS**  
**SERIES 2018B**

Dated Amount	11/1/2018		5/1		2017 Net Revenues	
	Principal*	Interest*	Principal*	Interest*	\$	\$
	260,000	71,325	260,000	71,325	2,600,000	0.00%
	265,000	66,073	265,000	66,073	2,340,000	10.00%
	275,000	60,265	275,000	60,265	2,075,000	20.19%
	140,000	55,595	140,000	55,595	1,800,000	30.77%
	145,000	52,138	145,000	52,138	1,660,000	36.15%
	145,000	48,404	145,000	48,404	1,515,000	41.73%
	160,000	44,243	160,000	44,243	1,370,000	47.31%
	75,000	40,915	75,000	40,915	1,210,000	53.46%
	80,000	38,608	80,000	38,608	1,135,000	56.35%
	80,000	36,128	80,000	36,128	1,055,000	59.42%
	85,000	33,486	85,000	33,486	975,000	62.50%
	85,000	30,681	85,000	30,681	890,000	65.77%
	90,000	27,705	90,000	27,705	805,000	69.04%
	90,000	24,578	90,000	24,578	715,000	72.50%
	95,000	21,316	95,000	21,316	625,000	75.96%
	100,000	17,830	100,000	17,830	530,000	79.62%
	100,000	14,205	100,000	14,205	430,000	83.46%
	105,000	10,438	105,000	10,438	330,000	87.31%
	110,000	6,433	110,000	6,433	225,000	91.35%
	115,000	2,185	115,000	2,185	115,000	95.58%
					0	100.00%
<b>Total</b>	<b>\$2,600,000</b>	<b>\$702,548</b>	<b>\$2,600,000</b>	<b>\$702,548</b>	<b>\$3,302,548</b>	

\* Preliminary, subject to change.

\*\* The debt service coverage ratios included on this page are calculated using 2017 draft audited Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2017, and future Net Revenues may be materially different.

**VILLAGE OF WESTON**

**HISTORIC STATEMENT OF REVENUES AND EXPENSES**

The following table shows the historic comparison of Net Revenues and debt service secured by revenues of the Utility System for the three year period ending December 31, 2017.

	<b>Audited</b>	<b>Audited</b>	<b>Draft Audited</b>
	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>
<b>Operating Revenues*</b>			
Water Service Fees	\$ 1,668,784	\$ 1,642,118	\$ 1,662,104
Other Operating Revenues	<u>478,908</u>	<u>482,060</u>	<u>479,917</u>
<b>Total Operating Revenues</b>	2,147,692	2,124,178	2,142,021
<b>Operating Expenses</b>			
Operation and Maintenance	753,378	575,860	656,115
Taxes - Payroll & Other	301,525	415,143	403,102
Depreciation and Amortization	<u>569,433</u>	<u>578,580</u>	<u>598,837</u>
<b>Total Operating Expenses</b>	<u>1,624,336</u>	<u>1,569,583</u>	<u>1,658,054</u>
<b>Operating Income</b>	523,356	554,595	483,967
<b>Plus:</b>			
Depreciation and Amortization	569,433	578,580	598,837
Interest Income	<u>120,890</u>	<u>78,120</u>	<u>116,447</u>
<b>Net Revenues Available for Debt Service</b>	\$ 1,213,679	\$ 1,211,295	\$ 1,199,251
<b>Debt Service</b>			
<b>2006 Bonds</b>	\$ 243,158	\$ 241,238	\$ 244,160
<b>Total Debt Service</b>	\$ 243,158	\$ 241,238	\$ 244,160
<b>Debt Service Coverage</b>	<b>4.99</b>	<b>5.02</b>	<b>4.91</b>

\* Effective September 1, 2018, the Village implemented Step 1 of a water rate increase that will increase revenues \$377,258. A Step 2 increase that was authorized by the Wisconsin Public Service Commission ("PSC") will increase revenues \$88,698. Such increase will be implemented after the automated meter reading projects are completed and it is certified to the PSC that such project has been completed.

## DESCRIPTION OF UTILITY SYSTEM

The Utility System is a separate enterprise fund. It operates under service rules established by the PSC which regulates the rates charged. The Village owns, operates and maintains the Utility System and related appurtenances serving customers located within the Village. The Utility System is governed by the Village Board. The Village Board is the policy making body of the Utility System, overseeing all projects and programs, reviewing and approving the budget, and determining Utility System projects. The Utility System operations are directed by the Director of Public Works.

The Utility System consists of six wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 6,852,000 gallons per day. The wells pumped an average of 2,084,567 gallons per day in 2017. The maximum gallons pumped in any one day during 2017 was 3,003,000 gallons and the minimum gallons pumped in any one day was 1,500,000 gallons. In addition, the Utility System owns four steel elevated storage tanks and one underground storage tank with a total storage capacity of 1,050,000 gallons.

The Utility System includes other related appurtenances including 554,814 feet of various types of 6"-14" water mains; 5,506 feet of various types of 3/4"-8" water pipe, 6,993 utility-owned meters; and 923 hydrants.

### History of Water Customers<sup>1</sup>

Year	Residential	Commercial	Other Customers <sup>2</sup>	Industrial	Total
2013	4,563	637	46	4	5,250
2014	4,742	411	39	4	5,196
2015	4,766	421	40	4	5,231
2016	4,792	411	42	21	5,266
2017	4,838	405	30	38	5,311

### History of Water Billings by Customer Type<sup>3</sup>

Year	Residential	Commercial	Industrial	Other Services <sup>4</sup>	Total Billings
2013	\$869,805	\$414,882	\$242,352	\$554,258	\$2,081,297
2014	934,830	272,318	266,326	543,162	2,016,636
2015	986,958	279,850	279,554	562,121	2,108,483
2016	968,895	232,243	324,592	561,487	2,087,217
2017	955,021	223,461	341,645	574,222	2,094,349

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<sup>1</sup>Does not include unmetered sales.

<sup>2</sup>Includes other sales to public authorities, sales to irrigation customers, sales for resale, and interdepartmental sale, etc. but **not** private or public fire protection services.

<sup>3</sup>Includes unmetered sales.

<sup>4</sup>Includes all charges, including private and public fire protection services.

## History of Water Sales<sup>1</sup>

Year	No. of Customers	Gallons Sold (in 000's)	Total Billings
2013	9,780	656,460	\$2,081,297
2014	9,761	660,073	2,016,636
2015	9,832	694,534	2,108,483
2016	9,949	673,936	2,087,217
2017	10,019	691,452	2,094,349

## 2017 Larger Water Customers

**Total 2017 Gallons Sold:** 691,452,000

**Total 2017 Billings:** \$2,094,349

Customer	Gallons Sold	Billings	% of Total Billings
Foremost Farms <sup>2</sup>	252,493	\$271,636	12.97%
The Village	24,888	37,655	1.80%
Crystal Finishing	21,484	34,449	1.64%
St. Clare's Hospital	17,922	25,732	1.23%
Old Castle Glass	10,781	14,260	0.68%
Wisconsin MHP6 LLC	8,450	13,840	0.66%
Stillwater Landing	6,670	10,446	0.50%
Rennes Group Inc.	5,027	11,564	0.55%
DC Everest Sr. High	3,978	9,305	0.44%
Lexington Homes	3,735	7,299	0.35%

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<sup>1</sup>Includes all charges, including private and public fire protection services and unmetered sales.

<sup>2</sup>Foremost Farms was sold to Kerry Biofunctional Ingredients, Inc. in 2018 but operations are not expected to change.

## Water Rates and Charges

Rates and charges for the Utility System are subject to approval by the PSC. The following monthly water rates have been in effect since September 1, 2018.

### Monthly Service Charge:

5/8 inch meter	\$ 7.00	3 inch meter	\$ 64.00
3/4 inch meter	7.00	4 inch meter	105.00
1 inch meter	10.50	6 inch meter	216.00
1 1/4 inch meter	14.00	8 inch meter	280.00
1 1/2 inch meter	23.00	10 inch meter	338.00
2 inch meter	35.00	12 inch meter	397.00

### Plus Volume Charge:

First 3,333 gallons used each month or 10,000 gallons used each quarter	\$ 2.45	per 1,000 gallons
Next 6,667 gallons used each month or 20,000 gallons used each quarter	\$ 3.20	per 1,000 gallons
Over 10,000 gallons used each month or 30,000 gallons used each quarter	\$ 3.90	per 1,000 gallons

### Average Bill for Residential Service in 2017

Avg. Quarterly Usage in Gallons	Avg. Quarterly Bill
12,662	\$44.95

### Average Bill for Residential Service after September 1, 2018

Avg. Quarterly Usage in Gallons	Avg. Quarterly Bill
12,000	\$55.00

Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1% per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. The late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code. Under the Wisconsin Statutes, delinquent charges may be placed on the tax roll and levied as a special charge against the property.

## **RATING**

Outstanding Utility System debt of the Village is currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's").

The Village has requested a rating on the Bonds 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 Authorizing 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.

The Village's operating data filings for the fiscal years ended December 31, 2013 through December 31, 2015 did not include certain required items under the Village's continuing disclosure undertakings. The Village's audited financial statements and operating data for the year ended December 31, 2015 were filed one day late due to leap year. Except to the extent the preceding is deemed to be material, in the previous five years, the Village has not failed to comply in all material respects with any previous undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

A failure by the Village to comply with the 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](http://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 special 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the 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 individuals. 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.

## **ORIGINAL ISSUE DISCOUNT**

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

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

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

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

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

## **BOND PREMIUM**

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

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a



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

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

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

## **INDEPENDENT AUDITORS**

The draft basic financial statements of the Village for the fiscal year ended December 31, 2017 and the basic financial statements for the fiscal year ended December 31, 2016 have been audited by CliftonLarsenAllen LLP, Stevens Point, Wisconsin, independent auditors (the "Auditor"). The Village anticipates delivery of the 2017 audited financial statements in substantially the form attached hereto, but such draft is subject to review and revision. 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.

**System Revenues:** Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Utility System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

**Larger Users:** Should larger users increase or decrease usage of the water service currently provided, the revenues of the Utility System will be affected proportionately.

**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 Authorizing 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.

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

# 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

2018 Equalized Value	\$1,193,258,600
2018 Equalized Value Reduced by Tax Increment Valuation	\$935,720,200
2017 Assessed Value	\$1,135,459,700

## 2018 EQUALIZED VALUE BY CLASSIFICATION

	<b>2018 Equalized Value<sup>1</sup></b>	<b>Percent of Total Equalized Value</b>
Residential	\$ 715,298,600	59.945%
Commercial	375,998,100	31.510%
Manufacturing	74,972,100	6.283%
Agricultural	165,900	0.014%
Undeveloped	668,900	0.056%
Ag Forest	908,200	0.076%
Forest	5,354,200	0.449%
Other	687,400	0.058%
Personal Property	19,205,200	1.609%
Total	<u><u>\$ 1,193,258,600</u></u>	<u><u>100.000%</u></u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2014	\$ 1,094,996,600	\$ 1,000,982,900	0.45%
2015	1,112,448,700	1,031,617,400	3.06%
2016	1,117,149,400	1,091,855,500	5.84%
2017	1,135,459,700	1,125,232,700	3.06%
2018	Not Available	1,193,258,600	6.05%

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

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<sup>1</sup>Includes tax increment valuation.

## LARGER TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2017 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
St. Clare's Hosptial	Healthcare	\$ 28,241,799	2.51%
Marshfield Clinic	Healthcare	15,842,117	1.41%
Rennes Development Company	Senior/Assisted Living	14,968,002	1.33%
Crystal Finishing Systems	Coating and Transportation	14,179,931	1.26%
Stoney River (First Phoenix LLC)	Senior/Assisted Living	13,006,547	1.16%
Aspirus Inc.	Healthcare	10,661,564	0.95%
WOW Logistics	Storage and Transportation	9,926,526	0.88%
Wausau Supply	Building Materials Supplier	8,642,020	0.77%
Dayton Hudson (Target)	Retail	7,313,401	0.65%
Birchwood Highlands	Senior/Assisted Living	7,046,349	0.63%
<b>Total</b>		<b>\$ 129,828,256</b>	<b>11.54%</b>

Village's Total 2017 Equalized Value<sup>2</sup> \$1,125,232,700

**Source:** The Village.

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<sup>1</sup>Calculated by dividing the 2017 Assessed Values by the 2017 Aggregate Ratio of assessment for the Village. 2018 values are not yet available.

<sup>2</sup>Includes tax increment valuation.

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt	<u><u>\$ 8,133,184</u></u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by water revenues (on page 5) (includes the Bonds)*	<u><u>\$ 2,600,000</u></u>
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Total revenue debt secured by sewer revenues	<u><u>\$ 1,030,000</u></u>
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Total revenue debt secured by storm water revenues (includes the Concurrent Obligations, as defined herein)*	<u><u>\$ 1,915,000</u></u>
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#### Lease Revenue Obligations (see schedules following)

Total Lease Revenue Obligations Paid by Annual Appropriations (TID No. 1)	<u><u>\$ 18,125,000</u></u>
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Total Lease Revenue Obligations Paid by Annual Appropriations (TID No. 2)	<u><u>\$ 1,090,000</u></u>
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\*Preliminary, subject to change.

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<sup>1</sup>Outstanding debt is as of the dated date of the Bonds and excludes the 2006 Bonds being refunded by the Bonds and obligations to be refunded by the Concurrent Obligations.

**VILLAGE OF WESTON, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt**  
**(As of November 1, 2018)**

**TAXABLE GO PROM**  
**NOTES, SERIES**  
**2010B**  
**(BAB)**

**STF Loan**  
**(BAB)**

**TAXABLE NOTES**  
**(Bank Note)**

**NOTES**  
**(Bank Note)**

Dated Amount	8/21/2009		12/21/2010		9/24/2013		9/26/2013	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$2,500,000			\$5,400,000		\$845,000		\$870,000	
<b>Maturity</b>	3/15		12/1		9/24		9/26	
<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2018			900,000	69,045			87,000	10,717
2019	296,709	13,352	825,000	104,340	105,625	12,672	87,000	8,597
2020			1,640,000	71,340	105,625	8,471	87,000	6,430
2021					105,625	4,224	87,000	4,287
2022							87,000	2,143
2023								
<b>Total</b>	<b>\$296,709</b>	<b>\$13,352</b>	<b>\$3,365,000</b>	<b>\$244,725</b>	<b>\$316,875</b>	<b>\$25,367</b>	<b>\$435,000</b>	<b>\$32,175</b>

(continued on next page)



**VILLAGE OF WESTON, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt**  
**(As of November 1, 2018)**

Fiscal Year Ending	Dated Amount	Maturity	NOTES (Bank Note)		NOTES (Bank Note)		NOTES (Bank Note)		Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
			Principal	Interest	Principal	Interest	Principal	Interest						
2018			4/11/2016 \$1,700,000		10/10/2016 \$433,500		8/27/2018 \$2,000,000	900,000	69,045	969,045	7,233,184	11.07%	2018	
2019								2,887,534	226,419	3,113,953	4,345,650	46.57%	2019	
2020								2,565,064	177,763	2,742,827	1,780,586	78.11%	2020	
2021								1,606,586	28,957	1,635,542	174,000	97.86%	2021	
2022								87,000	4,287	91,287	87,000	98.93%	2022	
2023								87,000	2,143	89,143	0	100.00%	2023	
<b>Total</b>			<b>\$1,500,000</b>	<b>\$14,105</b>	<b>\$219,600</b>	<b>\$9,451</b>	<b>\$2,000,000</b>	<b>\$8,133,184</b>	<b>\$508,613</b>	<b>\$8,641,797</b>				

**VILLAGE OF WESTON, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Sewerage Revenues**  
**(As of November 1, 2018)**

**SANITARY**  
**SEWERAGE REV**  
**REF BONDS**  
**SERIES 2008**

Dated Amount	6/23/2008 \$4,950,000							
Maturity	3/1							
Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
2018						1,030,000	0.00%	2018
2019	325,000	35,060	325,000	35,060	360,060	705,000	31.55%	2019
2020	345,000	21,660	345,000	21,660	366,660	360,000	65.05%	2020
2021	360,000	7,380	360,000	7,380	367,380	0	100.00%	2021
Total	\$1,030,000	\$64,100	\$1,030,000	\$64,100	\$1,094,100			

**VILLAGE OF WESTON, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Storm Water**  
**(As of November 1, 2018)**

**STORM WATER**  
**UTILITY REVENUE**  
**REFUNDING BONDS**  
**SERIES 2018C**

<b>Dated Amount</b>	11/1/2018 \$1,915,000*	<b>Maturity</b>	10/1	<b>Fiscal Year Ending</b>	<b>Principal*</b>	<b>Interest*</b>	<b>Total Principal*</b>	<b>Total Interest*</b>	<b>Principal &amp; Interest*</b>	<b>Principal Outstanding*</b>	<b>Principal %Paid*</b>	<b>Year</b>
2018										1,915,000	0.00%	2018
2019	195,000	46,789	195,000	46,789	1,720,000	10.18%	2019					
2020	195,000	47,045	195,000	47,045	1,525,000	20.37%	2020					
2021	205,000	42,658	205,000	42,658	1,320,000	31.07%	2021					
2022	210,000	37,840	210,000	37,840	1,110,000	42.04%	2022					
2023	215,000	32,590	215,000	32,590	895,000	53.26%	2023					
2024	215,000	26,893	215,000	26,893	680,000	64.49%	2024					
2025	220,000	20,873	220,000	20,873	460,000	75.98%	2025					
2026	225,000	14,383	225,000	14,383	235,000	87.73%	2026					
2027	235,000	7,520	235,000	7,520	0	100.00%	2027					
	<b>\$1,915,000</b>	<b>\$276,589</b>	<b>\$1,915,000</b>	<b>\$276,589</b>	<b>\$2,191,589</b>							

\* Preliminary, subject to change.

**VILLAGE OF WESTON, WISCONSIN**  
Schedule of Bonded Indebtedness  
Community Development Authority Debt Secured by Lease Agreements (TID #1)  
(As of November 1, 2018)

**COMM DEV LEASE REV  
BONDS  
SERIES 2017A**

<b>Dated Amount Source Maturity</b>	<b>7/13/2017 \$19,255,000 TID #1 10/1</b>	<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Principal &amp; Interest</b>	<b>Principal %Paid</b>	<b>Year</b>
		2018						0.00%	2018
		2019	1,135,000	412,738	1,135,000	412,738	1,547,738	6.26%	2019
		2020	1,145,000	396,848	1,145,000	396,848	1,541,848	12.58%	2020
		2021	1,160,000	379,673	1,160,000	379,673	1,539,673	18.98%	2021
		2022	1,180,000	361,113	1,180,000	361,113	1,541,113	25.49%	2022
		2023	1,200,000	340,463	1,200,000	340,463	1,540,463	32.11%	2023
		2024	1,225,000	317,663	1,225,000	317,663	1,542,663	38.87%	2024
		2025	1,255,000	293,163	1,255,000	293,163	1,548,163	45.79%	2025
		2026	1,285,000	266,180	1,285,000	266,180	1,551,180	52.88%	2026
		2027	1,320,000	237,268	1,320,000	237,268	1,557,268	60.17%	2027
		2028	1,355,000	205,588	1,355,000	205,588	1,560,588	67.64%	2028
		2029	1,400,000	170,358	1,400,000	170,358	1,570,358	75.37%	2029
		2030	1,395,000	131,858	1,395,000	131,858	1,526,858	83.06%	2030
		2031	3,070,000	92,100	3,070,000	92,100	3,162,100	100.00%	2031
			\$18,125,000	\$3,605,008	\$18,125,000	\$3,605,008	\$21,730,008		

**VILLAGE OF WESTON, WISCONSIN**  
Schedule of Bonded Indebtedness  
Community Development Authority Debt Secured by Lease Agreements (TID #2)  
(As of November 1, 2018)

**COMM DEV LEASE      COMM DEV LEASE  
REV BONDS            REV BONDS  
SERIES 2004B        SERIES 2005C**

Dated Amount Maturity	8/9/2004 \$1,815,000 10/1	4/15/2005 \$920,000 10/1			Total Principal	Total Interest	Principal & Interest	Principal %Paid	Year
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest			
2018								0.00%	2018
2019	115,000	43,408	80,000	7,673	195,000	51,080	246,080	17.89%	2019
2020	120,000	38,233	85,000	3,953	205,000	42,185	247,185	36.70%	2020
2021	125,000	32,713			125,000	32,713	157,713	48.17%	2021
2022	130,000	26,838			130,000	26,838	156,838	60.09%	2022
2023	140,000	20,663			140,000	20,663	160,663	72.94%	2023
2024	145,000 (1)	14,013			145,000	14,013	159,013	86.24%	2024
2025	150,000 (1)	7,125			150,000	7,125	157,125	100.00%	2025
	\$925,000	\$182,990	\$165,000	\$11,625	\$1,090,000	\$194,615	\$1,284,615		

(1) Mandatory redemption amounts.

**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	\$ 1,193,258,600
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 59,662,930
Less: General Obligation Debt	<u>(8,133,184)</u>
Unused Debt Limit	<u><u>\$ 51,529,746</u></u>

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing District</b>	<b>2018 Equalized Value<sup>2</sup></b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>3</sup></b>	<b>Village's Proportionate Share</b>
Marathon County	\$ 11,054,104,400	10.79%	\$ 10,815,000	\$ 1,166,939
North Central Technical College	17,475,451,145	6.83%	41,040,000	2,803,032
DC Everest School District	2,831,019,323	42.15%	101,815,000	<u>42,915,023</u>
Village's Share of Total Overlapping Debt				<u><u>\$46,884,994</u></u>

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<sup>1</sup>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.

<sup>2</sup>Includes tax increment valuation.

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

## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$1,193,258,600</b>	<b>Debt/ Per Capita 15,445<sup>1</sup></b>
Total General Obligation Debt	\$ 8,133,184	0.68%	\$ 526.59
Village's Share of Total Overlapping Debt	<u>46,884,994</u>	<u>3.93%</u>	<u>3,035.61</u>
Total	\$ 55,018,178	4.61%	\$ 3,562.20

## DEBT PAYMENT HISTORY

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

## FUTURE FINANCING

Concurrently with the Bonds, the Village plans to issue \$1,915,000\* Stormwater Utility Revenue Refunding Bonds, Series 2018C (the "Concurrent Obligations"). The Village is considering borrowing approximately \$5,000,000 general obligation debt within the next six months for refunding and new money purposes. The Village is also evaluating capital financing needs. No immediate financings are planned, but projects for the Village utilities and tax incremental finance districts could result in the issuance of general obligations or revenue obligations within the next 12-18 months. Aside from the preceding, the Village has no additional financing plans in the next 12 months.

\*Preliminary, subject to change.

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<sup>1</sup>Estimated 2018 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
2013/14	\$4,689,039	100%	\$5.80
2014/15	4,883,049	100%	6.09
2015/16	5,089,840	100%	6.21
2016/17	5,300,640	100%	6.13
2017/18	5,683,373	100%	6.40

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

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



## 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:

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Other<sup>2</sup></b>	<b>Total</b>
2013/14	\$13.27	\$5.16	\$5.80	\$0.21	\$24.44
2014/15	12.24	5.15	6.09	0.21	23.69
2015/16	12.23	5.12	6.21	0.21	23.77
2016/17	11.68	5.03	6.13	0.21	23.05
2017/18	11.68	4.94	6.40	0.00	23.02

**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

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

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

majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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

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

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

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

# THE ISSUER

## VILLAGE GOVERNMENT

The Village was incorporated from a Town into a Village on March 11, 1996 and is governed by a President and a six-member Village Board. The President votes on all Village Board matters. All Board Members are elected to two-year terms. The appointed Village Administrator and Finance Director/Treasurer are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The Village employs a staff of 32 full-time, two part-time, and 35 seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are generally required to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the Village's portion of contributions to WRS (including both the Village's and its utilities' contributions and not including any employee contributions) totaled \$241,867, \$128,060 and \$128,060, 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, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 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 2017, the Village reported a liability of \$104,036 for its proportionate share of the net pension liability of the WRS. The Village's utilities reported a liability of \$17,514 for their proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2016, based on the Village's share of contributions to the

pension plan relative to the contributions of all participating employers. The Village's proportion was 0.01474695% of the aggregate WRS net pension liability as of December 31, 2016.

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 V.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.

There are currently no collective bargaining units that represent Village employees.

### **OTHER POST EMPLOYMENT BENEFITS**

The Village does not provide 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 July 31, 2018)

<b>Fund</b>	<b>Total Cash and Investments</b>
General Fund	\$ 1,654,545
Special Revenue	5,605,339
Enterprise Funds	11,765,107
Internal Service	125,004
Total Funds on Hand	<u><u>\$ 19,149,995</u></u>

## ENTERPRISE FUNDS

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

	<b>2015 Audit</b>	<b>2016 Audit</b>	<b>2017 Draft Audit</b>
<b>Water*</b>			
Total Operating Revenues	\$ 2,147,692	\$ 2,124,178	\$ 2,142,021
Less: Operating Expenses	<u>(1,624,336)</u>	<u>(1,569,583)</u>	<u>(1,658,054)</u>
Operating Income	\$ 523,356	\$ 554,595	\$ 483,967
Plus: Depreciation	569,433	578,580	598,837
Interest Income	<u>120,890</u>	<u>78,120</u>	<u>116,447</u>
Revenues Available for Debt Service	<u><u>\$ 1,213,679</u></u>	<u><u>\$ 1,211,295</u></u>	<u><u>\$ 1,199,251</u></u>
<b>Sewer</b>			
Total Operating Revenues	\$ 2,005,270	\$ 1,988,822	\$ 2,020,724
Less: Operating Expenses	<u>(1,853,779)</u>	<u>(2,008,632)</u>	<u>(2,063,736)</u>
Operating Income	\$ 151,491	\$ (19,810)	\$ (43,012)
Plus: Depreciation	683,134	691,906	713,501
Interest Income	<u>191,357</u>	<u>83,526</u>	<u>148,271</u>
Revenues Available for Debt Service	<u><u>\$ 1,025,982</u></u>	<u><u>\$ 755,622</u></u>	<u><u>\$ 818,760</u></u>
<b>Stormwater</b>			
Total Operating Revenues	\$ 608,915	\$ 635,190	\$ 641,511
Less: Operating Expenses	<u>(451,936)</u>	<u>(480,709)</u>	<u>(476,800)</u>
Operating Income	\$ 156,979	\$ 154,481	\$ 164,711
Plus: Depreciation	366,899	367,035	335,248
Interest Income	<u>18,248</u>	<u>2,367</u>	<u>5,527</u>
Revenues Available for Debt Service	<u><u>\$ 542,126</u></u>	<u><u>\$ 523,883</u></u>	<u><u>\$ 505,486</u></u>

\* Effective September 1, 2018, the Village implemented Step 1 of a water rate increase that will increase revenues by \$377,258. A Step 2 increase that was authorized by the PSC will increase revenues by an additional \$88,698. Such increase will be implemented after the automated meter reading projects are completed and it is certified to the PSC that such project has been completed.

## 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 2017 draft audited financial statements and the 2016 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2014 Audited	2015 Audited	2016 Audited	2017 Draft Audited	2018 Adopted Budget <sup>1</sup>
<b>Revenues</b>					
Taxes	\$ 3,317,713	\$ 3,352,116	\$ 3,553,584	\$ 3,769,920	\$ 4,611,185 <sup>2</sup>
Intergovernmental	2,087,347	2,012,263	1,974,152	1,879,843	1,799,051
Licenses and permits	453,765	298,054	411,326	421,167	369,240
Fines and forfeitures	123,876	84,166	97,626	58,121	96,200
Special Assessments	6,500	5,540	5,660	6,412	5,500
Charges for services	127,161	109,178	108,399	114,395	95,580
Contributions and donations	720	219	633	0	0
Investment earnings and miscellaneous	190,693	123,796	115,200	79,446	245,300
<b>Total Revenues</b>	<u>\$ 6,307,775</u>	<u>\$ 5,985,332</u>	<u>\$ 6,266,580</u>	<u>\$ 6,329,304</u>	<u>\$ 7,222,056</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	\$ 866,936	\$ 950,091	\$ 1,076,763	\$ 1,068,629	\$ 1,225,873
Public safety	3,030,281	2,955,971	3,110,965	3,161,559	3,490,806
Public works	1,893,538	1,740,312	1,868,636	1,804,744	1,819,402
Health and social services	14,359	14,203	13,968	13,423	15,275
Parks, recreation and education	245,881	288,009	342,213	320,818	364,588
Community development	307,085	343,578	342,426	303,974	187,288
Miscellaneous	0	0	0	0	118,824
<b>Total Expenditures</b>	<u>\$ 6,358,080</u>	<u>\$ 6,292,164</u>	<u>\$ 6,754,971</u>	<u>\$ 6,673,147</u>	<u>\$ 7,222,056</u>
<b>Excess of revenues over (under) expenditures</b>	\$ (50,305)	\$ (306,832)	\$ (488,391)	\$ (343,843)	
<b>Other Financing Sources (Uses)</b>					
Sale of village properties	12,846	115	0	0	
Operating transfers in	475,187	474,391	463,991	469,918	
Operating transfers out	(213,645)	(152,197)	(30,942)	(112,113)	
Applied fund balance	0	0	0	0	
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 274,388</u>	<u>\$ 322,309</u>	<u>\$ 433,049</u>	<u>\$ 357,805</u>	
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ 224,083	\$ 15,477	\$ (55,342)	\$ 13,962	
General Fund Balance January 1	2,418,624	2,642,707	2,658,184	2,602,842	
General Fund Balance December 31	<u>\$ 2,642,707</u>	<u>\$ 2,658,184</u>	<u>\$ 2,602,842</u>	<u>\$ 2,616,804</u>	
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	111,188	97,314	686,782	1,417,175	
Restricted	0	0	0	0	
Committed	0	0	0	0	
Assigned	145,416	196,225	101,256	157,500	
Unassigned	2,386,103	2,364,645	1,814,804	1,042,129	
<b>Total</b>	<u>\$ 2,642,707</u>	<u>\$ 2,658,184</u>	<u>\$ 2,602,842</u>	<u>\$ 2,616,804</u>	

<sup>1</sup>The 2018 budget was adopted on November 20, 2017.

<sup>2</sup>Includes \$470,000 transfer from the Utility System to the General Fund.

## GENERAL INFORMATION

### LOCATION

The Village, with a 2010 U.S. Census population of 14,868 and a current estimated population of 15,445 comprises an area of 21.58 square miles and is a neighboring community to the City of Wausau, Wisconsin.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in and around the Village include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Greenheck Fan	Ventilation products and fans (Corporate Headquarters)	2,000
Crystal Finishing Systems	Transportation Coating Co.	775
DC Everest School District	Elementary and Secondary Schools	630 <sup>2</sup>
Ministry St. Clare's Hospital	Hospital/Medical Care	393 <sup>3</sup>
Renaissance (Rennes)	Senior/Assisted Living & Health & Rehab	229 <sup>4</sup>
Aspirus YMCA	Youth Organization & Center	200
Wausau Supply Company	Building Materials Supplier	140
Custom Glass Products, Inc.	Corporate headquarters and glass fabrication	100
The Village	Government Offices - Village	69
Aspirus Weston Clinic	Medical Care	60
Precision Replacement Parts (PRP)	Manufacturer of automotive parts	50

**Source:** *ReferenceUSA, written and telephone survey (September 2018), 2019 Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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<sup>1</sup>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.

<sup>2</sup>Estimated that 300 work within the Village.

<sup>3</sup>2017 data.

<sup>4</sup>55 employees at Renaissance and 229 FT/PT at Rennes.



## BUILDING PERMITS

	2014	2015	2016	2017	2018 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	18	32	22	24	14
Valuation	\$3,100,000	\$5,195,000	\$4,319,314	\$4,865,748	\$2,514,000
<u>New Multiple Family Buildings</u>					
No. of building permits	11	5	1	8	8
Valuation	\$5,328,000	\$1,260,004	\$250,000	\$3,067,980	\$4,418,000
<u>New Commercial/Industrial</u>					
No. of building permits	1	0	4	3	1
Valuation	\$2,300,000	\$0	\$2,963,000	\$2,115,000	\$590,000
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	770	721	747	968	704
Valuation	\$24,627,499	\$16,128,929	\$45,940,534	\$27,649,905	\$18,154,578

**Source:** The Village.

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<sup>1</sup>As of September 20, 2018.

## U.S. CENSUS DATA

### Population Trend: Village

2000 U.S. Census	12,079
2010 U.S. Census	14,868
2018 Estimated Population	15,445
Percent of Change 2000 - 2010	23.09%

### Income and Age Statistics

	<b>Village</b>	<b>Marathon County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2016 per capita income	\$25,184	\$28,773	\$29,253	\$29,829
2016 median household income	\$49,986	\$54,227	\$54,610	\$55,322
2016 median family income	\$60,967	\$67,365	\$69,925	\$67,871
2016 median gross rent	\$755	\$704	\$789	\$949
2016 median value owner occupied units	\$146,300	\$145,900	\$167,000	\$184,700
2016 median age	36.7 yrs.	40.7 yrs.	39.1 yrs.	37.7 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
Village % of 2016 per capita income	86.09%	84.43%
Village % of 2016 median family income	87.19%	89.83%

### Housing Statistics

	<b><u>Village</u></b>		
	<b>2000</b>	<b>2016</b>	<b>Percent of Change</b>
All Housing Units	4,806	6,443	34.06%

**Source:** 2000 and 2010 Census of Population and Housing, and 2016 American Community Survey (Based on a five-year estimate), U.S. Census Bureau ([www.factfinder2.census.gov](http://www.factfinder2.census.gov)).

## EMPLOYMENT/UNEMPLOYMENT DATA

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

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Marathon County</b>	<b>Marathon County</b>	<b>Marathon County</b>	<b>State of Wisconsin</b>
2014	69,492	5.0%	5.0%	5.4%
2015	70,555	4.0%	4.0%	4.5%
2016	71,277	3.5%	3.5%	4.0%
2017	72,132	3.0%	3.0%	3.3%
2018, August	74,060	2.7%	2.7%	3.1%

**Source:** Wisconsin Department of Workforce Development.

**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.

# FINANCIAL REPORT

OF THE

## VILLAGE OF WESTON, WISCONSIN



FOR THE YEAR ENDED DECEMBER 31, 2017

Prepared By:

WESTON FINANCE DEPARTMENT

**BASIC FINANCIAL STATEMENTS**

DRAFT

**VILLAGE OF WESTON**

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 4,911,920	\$ 9,399,126	\$ 14,311,046
Receivables (net of allowance for uncollectibles):			
Taxes	8,084,793	17,580	8,102,373
Accounts	-	919,445	919,445
Intergovernmental receivables	853,235	3,607	856,842
Municipal court	315,888	-	315,888
Special assessments	240,262	426,082	666,344
Accrued interest	12,876	66,890	79,766
Other	201,935	4,759	206,694
Total Receivables	<u>9,708,989</u>	<u>1,438,363</u>	<u>11,147,352</u>
Internal balances	469,918	(469,918)	-
Inventories	-	84,502	84,502
Prepaid items	461,043	1,477	462,520
Restricted assets:			
Cash and investments	1,863,658	2,565,207	4,428,865
Investment in joint venture - EMPD	1,107,936	-	1,107,936
Investment in joint venture - SAFER	1,135,515	-	1,135,515
Capital assets:			
Intangible plant - organizational costs	-	319	319
Land and right-of-ways	6,814,693	623,033	7,437,726
Construction in progress	307,354	103,692	411,046
Depreciable capital assets, net	<u>35,635,508</u>	<u>51,817,684</u>	<u>87,453,192</u>
<b>TOTAL ASSETS</b>	<u>62,416,534</u>	<u>65,563,485</u>	<u>127,980,019</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	949,477	159,207	1,108,684
Deferred charge on refunding	396,277	62,255	458,532
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,345,754</u>	<u>221,462</u>	<u>1,567,216</u>
<b>LIABILITIES</b>			
Accounts payable	211,744	174,522	386,266
Retainage payable	-	12,178	12,178
Other accrued liabilities	486,801	24,285	511,086
Special deposits	-	8,019	8,019
Accrued interest payable	193,081	3,365	196,446
Intergovernmental payables	14,762	-	14,762
Unearned revenue	57,484	13,803	71,287
Liabilities payable from restricted assets:			
Current maturities of revenue debt	-	869,339	869,339
Accrued interest	-	59,462	59,462
Non-current liabilities:			
Net pension liability	104,036	17,514	121,550
Due within one year	3,808,048	102,741	3,910,789
Due in more than one year	<u>26,217,097</u>	<u>3,993,408</u>	<u>30,210,505</u>
<b>TOTAL LIABILITIES</b>	<u>31,093,053</u>	<u>5,278,636</u>	<u>36,371,689</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year's property taxes	11,980,237	-	11,980,237
Pension related deferred inflows	430,008	72,102	502,110
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>12,410,245</u>	<u>72,102</u>	<u>12,482,347</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,190,939	49,337,993	70,528,932
Restricted for:			
Debt service	1,821,611	828,286	2,649,897
Pensions	415,433	69,591	485,024
Unrestricted (deficit)	<u>(3,168,993)</u>	<u>10,198,339</u>	<u>7,029,346</u>
<b>TOTAL NET POSITION</b>	<u>\$ 20,258,990</u>	<u>\$ 60,434,209</u>	<u>\$ 80,693,199</u>

See accompanying notes to financial statements.

# VILLAGE OF WESTON

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 1,127,662	\$ 271,906	\$ -	\$ -
Public safety	3,382,656	330,755	2,000	-
Public works	6,105,480	846,029	78,575	1,287,592
Health and human services	13,423	-	-	-
Parks, recreation, and education	791,478	151,496	789	-
Community development	651,587	18,988	350	-
Interest and fiscal charges	1,325,074	-	84,965	-
Total Governmental Activities	13,397,360	1,619,174	166,679	1,287,592
Business-Type Activities				
Water utility	1,801,682	2,142,020	-	234,795
Sewer utility	2,150,473	2,020,724	-	186,661
Stormwater utility	586,175	639,828	1,683	143,901
Total Business-Type Activities	4,538,330	4,802,572	1,683	565,357
Total Primary Government	\$ 17,935,690	\$ 6,421,746	\$ 168,362	\$ 1,852,949

**General Revenues**

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for TIF purposes
- Property taxes, levied for aquatic center
- Property taxes, levied for capital improvements
- Public accommodation taxes
- Other taxes

Intergovernmental revenues not restricted to specific programs

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

**Change in net position**

NET POSITION - January 1

**NET POSITION - December 31**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (855,756)	\$ -	\$ (855,756)
(3,049,901)	-	(3,049,901)
(3,893,284)	-	(3,893,284)
(13,423)	-	(13,423)
(639,193)	-	(639,193)
(632,249)	-	(632,249)
(1,240,109)	-	(1,240,109)
<u>(10,323,915)</u>	<u>-</u>	<u>(10,323,915)</u>
-	575,133	575,133
-	56,912	56,912
-	199,237	199,237
<u>-</u>	<u>831,282</u>	<u>831,282</u>
<u>(10,323,915)</u>	<u>831,282</u>	<u>(9,492,633)</u>
3,623,858	-	3,623,858
1,550,000	-	1,550,000
5,186,579	-	5,186,579
40,000	-	40,000
93,326	-	93,326
409,072	-	409,072
143,118	-	143,118
1,255,028	-	1,255,028
120,387	174,279	294,666
37,940	7,121	45,061
38,968	-	38,968
486,106	(486,106)	-
<u>12,984,382</u>	<u>(304,706)</u>	<u>12,679,676</u>
<u>2,660,467</u>	<u>526,576</u>	<u>3,187,043</u>
17,598,523	59,907,633	77,506,156
<u>\$ 20,258,990</u>	<u>\$ 60,434,209</u>	<u>\$ 80,693,199</u>

See accompanying notes to financial statements.



**VILLAGE OF WESTON**

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2017

	Special		
	General	Debt Service	TIF District #1
<b>ASSETS</b>			
Cash and investments	\$ 4,428,176	\$ -	\$ -
Receivables			
Taxes	111,556	1,606,074	5,082,333
Intergovernmental receivables	826,370	9,564	17,301
Municipal court	315,888	-	-
Special assessments	-	216,961	23,301
Accrued interest	7,601	-	-
Other	112,789	-	-
Total Receivables	<u>1,374,204</u>	<u>1,832,599</u>	<u>5,122,935</u>
Due from other funds	972,992	-	-
Prepaid items/Inventories	383,422	-	-
Advances to other funds	389,133	-	-
Restricted cash and investments	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 7,547,927</u>	<u>\$ 1,832,599</u>	<u>\$ 5,122,935</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 139,165	\$ -	\$ 7,753
Other accrued liabilities	478,986	-	5,055
Intergovernmental payables	14,742	-	-
Due to other funds	-	-	423,658
Unearned revenue	100	-	-
Advances from other funds	-	389,133	-
Total Liabilities	<u>632,993</u>	<u>389,133</u>	<u>436,466</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year's property taxes	4,007,491	1,606,074	5,082,333
Unavailable revenue-other	290,639	-	-
Unavailable revenue-special assessments	-	216,961	23,301
Total Deferred Inflows of Resources	<u>4,298,130</u>	<u>1,823,035</u>	<u>5,105,634</u>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable	1,417,175	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	157,500	-	-
Unassigned	1,042,129	(379,569)	(419,165)
Total Fund Balances (Deficit)	<u>2,616,804</u>	<u>(379,569)</u>	<u>(419,165)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 7,547,927</u>	<u>\$ 1,832,599</u>	<u>\$ 5,122,935</u>

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.

Investment for joint venture is not a financial resource and, therefore, is not reported in the funds.

Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV (B).

Internal service funds are reported in the statement of net position as governmental funds.

The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:

    Net pension liability

    Deferred inflows of resources

    Deferred outflows of resources

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II (A).

Deferral amounts on debt refundings are reported as deferred outflows of resources on the government-wide statements.

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

Revenue		
Comm. Dev. Authority - TIF District #1	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 424,057	\$ 4,852,233
-	1,284,830	8,084,793
-	-	853,235
-	-	315,888
-	-	240,262
3,227	2,048	12,876
-	88,485	201,274
<u>3,227</u>	<u>1,375,363</u>	<u>9,708,328</u>
-	-	972,992
-	24,046	407,468
		389,133
1,610,752	252,906	1,863,658
<u>\$ 1,613,979</u>	<u>\$ 2,076,372</u>	<u>\$ 18,193,812</u>

\$ 100	\$ 60,602	\$ 207,620
732	2,028	486,801
-	20	14,762
42,789	36,627	503,074
-	363	463
-	-	389,133
<u>43,621</u>	<u>99,640</u>	<u>1,601,853</u>
-	1,284,339	11,980,237
-	-	290,639
-	-	240,262
<u>-</u>	<u>1,284,339</u>	<u>12,511,138</u>
-	-	1,417,175
1,570,358	251,253	1,821,611
-	5,617	5,617
-	444,252	601,752
-	(27,775)	215,620
<u>1,570,358</u>	<u>673,347</u>	<u>4,061,775</u>
<u>\$ 1,613,979</u>	<u>\$ 2,057,326</u>	

42,757,555  
2,243,451  
530,901  
52,778

(104,036)  
(430,008)  
949,477

(30,218,226)  
396,277  
\$ 20,239,944

## VILLAGE OF WESTON

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
<b>REVENUES</b>				
Taxes	\$ 3,769,920	\$ 1,550,000	\$ 4,787,918	\$ -
Intergovernmental	1,879,843	26,448	67,147	-
Licenses and permits	421,167	-	-	-
Fines and forfeitures	58,121	-	-	-
Special assessments	6,412	118,055	14,697	-
Charges for services	114,395	20,420	-	903,671
Contributions and donations	-	-	-	-
Investment earnings and miscellaneous	79,446	12,539	845	56,978
Total Revenues	<u>6,329,304</u>	<u>1,727,462</u>	<u>4,870,607</u>	<u>960,649</u>
<b>EXPENDITURES</b>				
Current				
General government	1,068,629	-	-	-
Public safety	3,161,559	-	-	-
Public works	1,804,744	-	-	-
Health and human services	13,423	-	-	-
Parks, recreation, and education	320,818	-	-	-
Community development	303,974	-	1,040,876	3,177
Capital improvements	-	-	-	-
Debt service				
Principal retirement	-	24,141,694	141,920	-
Interest and fiscal charges	-	1,343,361	5,371	402,737
Total Expenditures	<u>6,673,147</u>	<u>25,485,055</u>	<u>1,188,167</u>	<u>405,914</u>
Excess (deficiency) of revenues over expenditures	<u>(343,843)</u>	<u>(23,757,593)</u>	<u>3,682,440</u>	<u>554,735</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	-	-	-	19,004,851
Capital leases	-	-	-	-
Transfers in	469,918	23,440,608	47,213	-
Transfers out	(112,113)	-	(448,440)	(22,197,941)
Sale of village properties	-	-	-	-
Total Other Financing Sources (Uses)	<u>357,805</u>	<u>23,440,608</u>	<u>(401,227)</u>	<u>(3,193,090)</u>
Net Change in Fund Balance	13,962	(316,985)	3,281,213	(2,638,355)
FUND BALANCES (DEFICIT) - Beginning	<u>2,602,842</u>	<u>(62,584)</u>	<u>(3,700,378)</u>	<u>4,208,713</u>
FUND BALANCES (DEFICIT) - Ending	<u>\$ 2,616,804</u>	<u>\$ (379,569)</u>	<u>\$ (419,165)</u>	<u>\$ 1,570,358</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 941,058	\$ 11,048,896
90,067	2,063,505
6,055	427,222
-	58,121
-	139,164
1,292,797	2,331,283
789	789
8,794	158,602
<u>2,339,560</u>	<u>16,227,582</u>
-	1,068,629
-	3,161,559
767,718	2,572,462
-	13,423
272,962	593,780
405,726	1,753,753
1,109,141	1,109,141
-	24,283,614
1,038	1,752,507
<u>2,556,585</u>	<u>36,308,868</u>
<u>(217,025)</u>	<u>(20,081,286)</u>
250,149	19,255,000
508,868	508,868
289,865	24,247,604
(1,003,004)	(23,761,498)
113,185	113,185
<u>159,063</u>	<u>20,363,159</u>
(57,962)	281,873
<u>750,355</u>	<u>3,798,948</u>
<u>\$ 692,393</u>	<u>\$ 4,080,821</u>

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See accompanying notes to financial statements.

## VILLAGE OF WESTON

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

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Net change in fund balances - total governmental funds	\$ 281,873
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 is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported 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	1,420,970
Depreciation is reported in the government-wide statements	(3,838,145)
Net effect of change in investment in joint venture - EMPD is to increase net position.	9,490
Net effect of change in investment in joint venture - SAFER is to decrease net position.	-
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.	(74,217)
Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements.	(1,342)
Change in the net pension asset/liability and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share, and the difference between the expected and actual experience of the pension plan.	(88,885)
Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments (\$24,141,694) exceeded issues (\$508,868 for capital leases, \$19,255,000 for general obligation debt).	4,377,826
Current year amortization expenditure of premiums, and discounts, loss of refunding is recorded in the government-wide financial statements, but is not recorded in the fund financial statements.	271,199
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.	
Compensated absences	1,341
Advances from developers on TIF District letters of credit	141,920
Accrued interest on debt	156,234
Internal service funds are used by management to charge the cost of self-insurance to individual funds. The decrease in net position of the internal service funds is reported with governmental activities.	2,203
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,660,467</u></b>

See accompanying notes to financial statements.

**VILLAGE OF WESTON**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
December 31, 2017

<b>ASSETS</b>	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 3,816,210	\$ 5,580,408	\$ 2,508	\$ 9,399,126	\$ 59,687
Taxes receivable	7,425	7,345	2,810	17,580	-
Accounts receivable	353,696	416,960	148,789	919,445	-
Accrued interest receivable	28,350	37,925	615	66,890	-
Other accounts receivable	4,226	533	-	4,759	661
Intergovernmental receivable	693	2,914	-	3,607	-
Inventories	84,502	-	-	84,502	-
Prepaid items	1,001	476	-	1,477	53,575
Restricted assets					
Revenue bond redemption account	225,251	530,780	131,717	887,748	-
Revenue bond construction account	-	601,031	-	601,031	-
Total Current Assets	4,521,354	7,178,372	286,439	11,986,165	113,923
<b>NON-CURRENT ASSETS</b>					
Restricted Assets					
Revenue bond reserve account	250,703	561,560	264,165	1,076,428	-
Total restricted assets	250,703	561,560	264,165	1,076,428	-
Other Assets					
Special assessments receivable	42,603	383,479	-	426,082	-
Advance to other funds	-	365,264	-	365,264	-
Total other assets	42,603	748,743	-	791,346	-
Capital Assets					
Intangible plant - organizational costs	319	-	-	319	-
Land	568,259	-	54,774	623,033	-
Wells and springs	597,507	-	-	597,507	-
Buildings and system	1,028,656	2,135,655	-	3,164,311	-
Improvements other than buildings	26,165,663	28,981,039	17,426,553	72,573,255	-
Machinery and equipment	2,156,943	848,945	153,834	3,159,722	-
Construction in progress	103,692	-	-	103,692	-
Less accumulated depreciation	(9,126,596)	(12,642,144)	(5,908,371)	(27,677,111)	-
Total capital assets (net of accumulated depreciation)	21,494,443	19,323,495	11,726,790	52,544,728	-
Total Non-Current Assets	21,787,749	20,633,798	11,990,955	54,412,502	-
<b>TOTAL ASSETS</b>	26,309,103	27,812,170	12,277,394	66,398,667	113,923
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	118,851	40,356	-	159,207	-
Deferred charge on refunding	-	62,255	-	62,255	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	118,851	102,611	-	221,462	-

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 103,498	\$ 70,996	\$ 28	\$ 174,522	\$ 4,124
Retainage payable	-	12,178	-	12,178	-
Other accrued liabilities	16,739	7,327	219	24,285	-
Customer deposits payable	3,057	4,962	-	8,019	-
Accrued interest payable	-	-	3,365	3,365	-
General obligation debt - current	-	-	102,741	102,741	-
Due to other funds	460,337	9,581	-	469,918	-
Unearned revenue	13,803	-	-	13,803	57,021
Current liabilities payable from restricted assets					
Current maturities of revenue debt	198,654	497,649	173,036	869,339	-
Accrued interest payable	16,834	20,520	22,108	59,462	-
Total Current Liabilities	<u>812,922</u>	<u>623,213</u>	<u>301,497</u>	<u>1,737,632</u>	<u>61,145</u>
<b>NON-CURRENT LIABILITIES</b>					
General obligation debt, less current maturities	-	-	22,761	22,761	-
Revenue debt, less current maturities	1,031,701	1,024,906	1,895,000	3,951,607	-
Advance from other funds	-	-	365,264	365,264	-
Net pension liability	13,090	4,424	-	17,514	-
Compensated absences	9,520	9,520	-	19,040	-
Total Non-Current Liabilities	<u>1,054,311</u>	<u>1,038,850</u>	<u>2,283,025</u>	<u>4,376,186</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,867,233</u>	<u>1,662,063</u>	<u>2,584,522</u>	<u>6,113,818</u>	<u>61,145</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred inflows	53,825	18,277	-	72,102	-
<b>NET POSITION</b>					
Net investment in capital assets	20,514,790	19,025,786	9,797,417	49,337,993	-
Restricted for debt service	208,417	510,260	109,609	828,286	-
Restricted for WRS Pension	51,936	17,655	-	69,591	-
Unrestricted (deficit)	3,731,753	6,680,740	(214,154)	10,198,339	52,778
<b>TOTAL NET POSITION</b>	<u>\$ 24,506,896</u>	<u>\$ 26,234,441</u>	<u>\$ 9,692,872</u>	<u>\$ 60,434,209</u>	<u>\$ 52,778</u>

**VILLAGE OF WESTON**

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
For the Year Ended December 31, 2017

		Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
		Water Utility	Sewer Utility	Stormwater Utility		
<b>OPERATING REVENUES</b>						
Intergovernmental	intgov	\$ -	\$ -	\$ 1,683	\$ 1,683	\$ -
Charges for services	cfs	1,662,104	2,020,724	639,828	4,322,656	802,360
Public fire protection	pfp	457,904	-	-	457,904	-
Other operating revenue	oor	22,013	-	-	22,013	-
Total Operating Revenues		<u>2,142,021</u>	<u>2,020,724</u>	<u>641,511</u>	<u>4,804,256</u>	<u>802,360</u>
<b>OPERATING EXPENSES</b>						
Utility operations	oper	656,115	428,107	114,908	1,199,130	-
Administration	admin	403,102	241,518	26,644	671,264	-
Rib Mountain Sewerage District - services	ribmtn	-	680,610	-	680,610	-
Depreciation	deprec	598,837	713,501	335,248	1,647,586	-
Health claims and other employee benefits	benefits	-	-	-	-	800,157
Total Operating Expenses		<u>1,658,054</u>	<u>2,063,736</u>	<u>476,800</u>	<u>4,198,590</u>	<u>800,157</u>
Operating Income (Loss)		<u>483,967</u>	<u>(43,012)</u>	<u>164,711</u>	<u>605,666</u>	<u>2,203</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment earnings	invint	116,447	148,271	5,527	270,245	-
Net decrease in fair value of investments	invmva	(48,450)	(46,536)	(980)	(95,966)	-
Gain (Loss) on sale of capital assets	cagl	(90,168)	-	-	(90,168)	-
Interest expense and fiscal charges	intexp	(52,114)	(64,727)	(102,578)	(219,419)	-
Amortization of bond discount	amortbd	(1,346)	(2,351)	(1,964)	(5,661)	-
Amortization of loss on advance refunding	amortaf	-	(19,659)	(4,832)	(24,491)	-
Other	other	7,121	-	-	7,121	-
Total Nonoperating Revenues (Expenses)		<u>(68,510)</u>	<u>14,998</u>	<u>(104,827)</u>	<u>(158,339)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers		<u>415,457</u>	<u>(28,014)</u>	<u>59,884</u>	<u>447,327</u>	<u>2,203</u>
Capital contributions	capcon	234,795	186,661	143,901	565,357	-
Transfer out - debt service	transfds	(6,431)	(6,431)	(3,328)	(16,190)	-
Transfers out - tax equivalent	pilot	(460,337)	(9,581)	-	(469,918)	-
Change in Net Position		<u>183,484</u>	<u>142,635</u>	<u>200,457</u>	<u>526,576</u>	<u>2,203</u>
NET POSITION - January 1		24,323,412	26,091,806	9,492,415	59,907,633	50,575
NET POSITION - December 31		<u>\$ 24,506,896</u>	<u>\$ 26,234,441</u>	<u>\$ 9,692,872</u>	<u>\$ 60,434,209</u>	<u>\$ 52,778</u>

See accompanying notes to financial statements.



**VILLAGE OF WESTON**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,141,636	\$ 2,018,112	\$ 638,020	\$ 4,797,768	\$ 799,775
Payments to suppliers for goods and services	(495,592)	(1,156,925)	(92,003)	(1,744,520)	(794,027)
Payments to employees	(445,513)	(253,883)	(52,706)	(752,102)	-
Net Cash Provided by Operating Activities	<u>1,200,531</u>	<u>607,304</u>	<u>493,311</u>	<u>2,301,146</u>	<u>5,748</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Paid to municipality for tax equivalent	(455,315)	(8,676)	-	(463,991)	-
Advance from (to) Sewer Utility	-	14,322	(14,322)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(455,315)</u>	<u>5,646</u>	<u>(14,322)</u>	<u>(463,991)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Additions to capital assets	(1,168,517)	(307,630)	(75,204)	(1,551,351)	-
Special assessments received	(16)	38,095	-	38,079	-
Special assessments placed on tax roll	1,435	1,939	-	3,374	-
Principal paid	(228,000)	(475,000)	(297,867)	(1,000,867)	-
Interest paid on long-term debt	(54,948)	(71,062)	(106,253)	(232,263)	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,450,046)</u>	<u>(813,658)</u>	<u>(479,324)</u>	<u>(2,743,028)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(249,000)	(247,000)	-	(496,000)	-
Income on investments	88,940	93,162	3,999	186,101	-
Net Cash Provided (Used) by Investing Activities	<u>(160,060)</u>	<u>(153,838)</u>	<u>3,999</u>	<u>(309,899)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(864,890)	(354,546)	3,664	(1,215,772)	5,748
CASH AND CASH EQUIVALENTS - Beginning	<u>1,054,449</u>	<u>2,255,793</u>	<u>223,814</u>	<u>3,534,056</u>	<u>53,939</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 189,559</u>	<u>\$ 1,901,247</u>	<u>\$ 227,478</u>	<u>\$ 2,318,284</u>	<u>\$ 59,687</u>

**VILLAGE OF WESTON**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 483,967	\$ (43,012)	\$ 164,711	\$ 605,666	\$ 2,203
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	598,837	713,501	335,248	1,647,586	-
Nonoperating other revenue	7,121	-	-	7,121	-
Change in pension related assets, deferred outflows, and deferred inflows	13,544	646	-	14,190	-
Changes in assets and liabilities					
Taxes receivable	4,771	2,129	690	7,590	-
Accounts receivable	(17,319)	(5,759)	(4,181)	(27,259)	1,174
Due from other funds	-	-	-	-	-
Intergovernmental receivables	5,042	1,018	-	6,060	-
Inventories	(4,595)	-	-	(4,595)	-
Prepaid items	(490)	(476)	-	(966)	4,135
Accounts payable	57,712	(32,094)	(48)	25,570	1,995
Retainages payable	-	12,178	-	12,178	-
Other accrued liabilities	16,739	7,327	219	24,285	-
Compensated absences	(45)	(45)	-	(90)	-
Customer deposits payable	-	-	-	-	-
Meter allocation	41,678	(41,678)	-	-	-
Operating lease payment	(6,431)	(6,431)	(3,328)	(16,190)	-
Intergovernmental payables	-	-	-	-	-
Unearned revenue	-	-	-	-	(3,759)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 1,200,531</b>	<b>\$ 607,304</b>	<b>\$ 493,311</b>	<b>\$ 2,301,146</b>	<b>\$ 5,748</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments - statement of net position - proprietary funds	\$ 3,816,210	\$ 5,580,408	\$ 2,508	\$ 9,399,126	\$ 59,687
Restricted cash and investments - statement of net position - proprietary fund					
Revenue bond redemption account	225,251	530,780	131,717	887,748	-
Revenue bond construction account	-	601,031	-	601,031	-
Revenue bond reserve account	250,703	561,560	264,165	1,076,428	-
Total Cash and Investments	4,292,164	7,273,779	398,390	11,964,333	59,687
Less: Non-Cash Equivalents	(4,102,605)	(5,372,532)	(170,912)	(9,646,049)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 189,559</b>	<b>\$ 1,901,247</b>	<b>\$ 227,478</b>	<b>\$ 2,318,284</b>	<b>\$ 59,687</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Developer and customer financed additions to utility plant	\$ -	\$ 164,186	\$ -	\$ 164,186	\$ -

See accompanying notes to financial statements.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Weston, 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 Weston. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity 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 is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate units, are, in substance, part of the government's operations. If the Village had any discretely presented component units, they would be reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Village of Weston, Wisconsin, is a Village governed by an elected seven-member village board of trustees. As required by generally accepted accounting principles (GAAP), these financial statements reflect all significant operations under the control of its Village Board.

The Village is a member of the Everest Metro Public Safety. This is a joint venture with the City of Schofield and the Town of Weston. See Note V. (E.) for more information on the joint venture. The Village is also a member of the South Area Fire & Emergency Response District. This is a joint venture with the Town of Rib Mountain. See Note V. (E.) for more information on the joint venture.

Included in the reporting entity:

**Blended Component Unit - Weston Community Development Authority**

The Weston Community Development Authority (CDA) was created in 2002 by the Village to serve as a financing vehicle for certain community development projects. The CDA is a legally separate organization governed by a seven-member board that is appointed by the Village President and Board of Trustees of the Village of Weston. Although it is legally separate from the Village, the CDA is reported as if it were a part of the primary government, because its sole purpose is to oversee and participate, if necessary, in financing community development projects for the benefit of the Village and its citizens. Furthermore, the CDA is included as a component unit as the CDA has no ability to issue debt or otherwise carry out its activities without the participation and agreement of the Village or appropriation of funds by the Village Board. The CDA does review project plans for the Village's TIF districts. The CDA will review these project plans in determining blight elimination, slum clearance, urban renewal, and other community development programs. The operations of the CDA are included in the governmental activities of the government-wide financial statements as a separate special revenue fund for each Tax Incremental Financing (TIF) District. Separate financial statements are not published for the CDA which follows the same accounting policies as the Village of Weston.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

*Fund Financial Statements*

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements (cont.)*

The Village reports the following major governmental funds:

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

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than tax increment financing (TIF) or enterprise fund debt.

Special Revenue Fund – TIF District #1 – accounts for the receipts of district "incremental" property taxes and other revenues and corresponding program expenditures for TIF District #1.

Special Revenue Fund – Community Development Authority (CDA) – TIF District #1 – accounts for the receipts of CDA Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston and the transfer of these proceeds to the TIF District #1 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

The Village reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.

Sewer Utility – accounts for operations of the sewer system.

Stormwater Utility – accounts for operations of the stormwater system.

The Village reports the following non-major governmental funds:

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

Refuse/Recycling Civic and Social

TIF District #2 Room Taxes

Aquatic Center Park and Recreation

Community Development Authority (CDA) – TIF District #2

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

TIF District #1

Capital Improvement Fund

In addition, the Village reports the following fund types:

Internal Service Funds – used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village, or to other governmental units, on a cost-reimbursement basis. The Village's internal service fund is:

Fringe Benefits/Insurances – used to account for the accumulation and allocation of premium and claims costs associated with the Village's health insurance program, self-insured dental insurance program, worker wellness program, employee wellness program, life insurance program, income continuation insurance program, post health employment program, and workers compensation insurance program.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements (cont.)*

Agency Funds – Tax Agency – used to account for the assets held by the Village as an agent for other governmental units.

**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, deferred outflows, liabilities, and deferred inflows 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 a deferred inflow. 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, sewer, and stormwater utility funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**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. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current 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.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements (cont.)*

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The water utility and sewer utility record an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. Municipal utilities are exempt from federal and state income taxes. Taxes include the employer's share of Social Security and Medicare, and PSC remainder assessment.

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 proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and stormwater funds are charges to customers for sales and services.

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.

**All Financial Statements**

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / 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:

1. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
  2. Bonds or securities of any county, city, drainage district, technical college district, 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 the Wisconsin Aerospace Authority.
  3. Bonds or securities issued or guaranteed by the federal government.
  4. The Wisconsin local government investment pool.
  5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
  6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
  7. Repurchase agreements with public depositories, with certain conditions.
- Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. The Village believes it is in compliance with all restrictions.

The Village has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". This standard establishes and modifies disclosure requirements related to deposit risks (custodial credit and foreign currency risks) and investment risks (custodial credit, credit, concentration of credit, interest rate, and foreign currency risks). The Village attempts to manage its deposit and investment risks as follows:

- a. Custodial credit risk – all securities will be held by a third-party custodian.
- b. Credit risk – purchases of securities in the lower end of allowed rating categories within the statutory provisions would be limited.
- c. Concentration of credit risk – diversification among issuers and types of investments to avoid over-concentration in specific issuers or sectors is a stated goal of the policy.
- d. Interest rate risk – Village policy is to not directly invest in securities with maturities of greater than five years unless matched to a specific cash flow and disclosed to the Finance Committee.
- e. Foreign currency risk – Village policy is to not hold deposits and investments denominated in foreign currencies because the potential risk of loss arising from changes in exchange rates can be significant.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**1. Deposits and Investments** (cont.)

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 earnings. Investment earnings on commingled investments of municipal accounting funds are allocated based on average balances. The difference between the bank balance and carrying value 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, 2017, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV (A.) for further information.

**2. Receivables**

*Property Taxes*

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, deferred inflows, and intergovernmental payables on the accompanying fiduciary fund balance sheet.

Property tax calendar – 2017 tax roll:

Lien date and levy date	November 2017
Tax bills mailed	December 20, 2017
Payment in full, or	January 31, 2018
- First installment due	January 31, 2018
- Second installment due to Marathon County	July 31, 2018
Personal property taxes due in full	January 31, 2018
Tax settlement with other governmental units:	
- First settlement	January 15, 2018
- Second settlement	February 20, 2018
- Final settlement	August 20, 2018
Tax deed sale by Marathon County:	
- 2017 delinquent real estate taxes	October 2020

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**2. Receivables** (cont.)

*Uncollectible Accounts*

Accounts receivable have been shown net of an allowance for uncollectible accounts (\$12,073). Delinquent real estate taxes as of July 31 are paid in full by Marathon County, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made for the water utility, sewer utility, and stormwater utility because they have the right by law to place delinquent bills on the tax roll.

*Interfund Transactions*

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 within governmental activities 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 fund balance classification as nonspendable, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**3. Inventories and Prepaid Items**

Inventories of the proprietary funds are stated at the lower of cost or market utilizing the average cost method and charged to construction or expense when used. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased, based on original cost using the FIFO method of accounting.

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.

**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 for retirement of related long-term debt or acquisition of capital assets. The remainder, if generated from earnings, is shown as restricted net position.

**5. Capital Assets**

**Government-Wide Statements**

In the government-wide financial statements, capital assets are defined by the government as property such as plant, equipment, intangibles, and infrastructure with an initial cost of more than \$5,000 or 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**5. Capital Assets** (cont.)

**Government-Wide Statements** (cont.)

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 plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage value, is charged to accumulated depreciation.

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

The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Wells and Springs	34½ Years
Land Improvements	20 Years
Machinery and Equipment	3-20 Years
Utility System	2-50 Years
Infrastructure	20-40 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.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide and proprietary fund statements on net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The second item is related to the Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**6. Deferred Outflows / Inflows of Resources** (cont.)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category in the government-wide statement of net position. The first item is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second item is related to the Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining services lives of the pension plan participants. The Village also has an additional type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: special assessments and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Additionally, the Village reports unearned revenue within its governmental funds balance sheet. The governmental funds report unearned revenue for revenues which are available and measurable, but not yet earned for grants received in advance of meeting time requirements. These amounts are recognized as an inflow of resources in the period that the amounts become earned.

**7. Wisconsin Retirement System Pension Plan Benefits**

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

**8. Basis for Existing Rates – Proprietary Funds**

*Water Utility*

Current water rates were approved by the Public Service Commission of Wisconsin on January 23, 2009, and placed into effect on March 18, 2009.

*Sewer Utility*

Current sanitary sewer/wastewater rates were approved by the Village Board on February 20, 2017.

*Stormwater Utility*

Current stormwater rates were approved by the Village Board on April 20, 2015.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**9. Compensated Absences**

Under terms of employment, employees earn paid time off (PTO) in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All PTO is accrued when incurred in the government-wide and proprietary fund financial statements. A 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 PTO will be made at rates in effect when the benefits are used. Accumulated PTO liabilities at December 31, 2017 are determined on the basis of current salary rates and include salary related payments.

**10. 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 debt obligations is 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.

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. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for premiums/discounts is shown as an increase or decrease in the liability section of the Statement of Net Position. The balance at year-end for gains/losses is shown as a deferred outflow/inflow as applicable.

The Village may approve 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. There were no IRB's outstanding at year end.

**11. Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that mature or become due are recorded during the year as expenditures in the governmental funds. If they have not matured, no liability is recognized in the governmental fund statements. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.



VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

12. Equity Classifications

Government-Wide Statements

Government-wide and proprietary fund net position is divided into three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The unrestricted component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction in "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column.

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$21,190,939	\$49,337,993	\$(6,839,483)	\$63,689,449
Unrestricted	(3,168,993)	10,198,339	6,839,483	13,868,829

Fund Financial Statements

Beginning with the year ended December 31, 2011, the Village implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid items) or are legally or contractually required to be maintained intact.
- b. Restricted fund balance – amounts that are constrained for specific purposes by external parties (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

12. Equity Classifications (cont.)

Fund Financial Statements (cont.)

- c. Committed fund balance – amounts that are constrained for specific purposes by a formal action (resolution) of the Village Board, using its highest level of decision-making authority. These committed funds cannot be used for any other purpose unless the Village Board takes the same highest level of action to remove or change the constraint.
- d. Assigned fund balance – amounts that a government intends to use for a specific purpose. The intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The governing body has delegated the authority to assign fund balance to management of the Village.
- e. Unassigned fund balance – amounts that are available for any purpose. These amounts are reported only in the general fund and have not been classified within the other above-mentioned classifications.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. This spend-down policy follows GASB Statement No. 54 which indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

The Village has also adopted a formal financial policy regarding the fund balance in the general fund. The policy calls for an unassigned general fund balance equivalent of between two months to four months (16.67% - 33.33%) of the ensuing year's budgeted general fund expenditures.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND  
 BALANCE SHEET AND THE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance* – total governmental funds and *net position* – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds”. The detail of this \$30,162,019 difference in liabilities is as follows:

General obligation bonds and notes payable	\$7,229,241
Revenue bonds payable	20,530,000
Lease payable	1,055,938
Compensated absences	149,787
Advances from developers on TIF District letters of credit	1,072,982
Accrued interest	193,081
Unamortized debt discounts and premiums	(12,803)
<b>Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities</b>	<b>\$30,218,226</b>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.).

A budget has been adopted for the general fund, all special revenue funds, debt service fund, all capital project funds, all enterprise funds, and the internal service fund. Comparative schedules have been presented in supplementary information for all funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made.

The Village follows these procedures in establishing the budget versus actual budgetary data reflected in the financial statements:

- The Village Administrator submits to the Village Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at the Weston Municipal Center to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a village resolution.
- The budget as adopted includes total expenditures at the cost center level. A cost center can be a fund, major program, department, or other activity for which control of expenditures is considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General Fund at the department level, Special Revenue and Capital Projects Funds at the major program level, and Debt Service Fund at total fund level. Expenditures cannot legally exceed appropriations at this level without two-thirds Village Board approval to amend the budget. Supplemental appropriations during the year included an increase of \$15,860,863 in the special revenue fund, \$17,008,958 in the debt service fund, and a net increase of \$251,835 in the capital improvements fund. The Village Board properly authorized all supplemental appropriations for budget year 2017. Transfers of appropriations between cost center levels also require the approval of the Village Board.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Enterprise Funds, and the Internal Service Fund.
- A comparison of Actual and Budget is included in the accompanying financial statements for all governmental fund types with a legally adopted annual budget. The budget presentations are at the cost center level (legal level of control for the annual budget).
- All budgets adopted conform to generally accepted accounting principles (GAAP), including the Enterprise Funds. Budget amounts are as originally adopted or as amended via the procedures explained above. Individual amendments were legally authorized as described.
- Budgets for all non-committed governmental funds lapse at year-end.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following cost centers in the general fund and in the other individual funds had an excess of expenditures over appropriations at the legal level of budgetary control for the year ended December 31, 2017.

	Excess Expenditures
<b>General Fund</b>	
Village board	\$ 628
Village municipality dues/memberships	2,447
Tax Collection	4,284
Tax refunds/bad debt	18,445
Street irrigation maintenance	1,976
Street lighting	18,614
Mowing	519
Park maintenance	290
Taxpayer relations	6,448
Capital outlay - Community Development	239
Transfer to debt service	3,328
Transfer to Civic Trust	14,184
<b>Special Revenue Funds</b>	
Community Development Authority – TIF #1	3,355
Park and Recreation	2,885
<b>Capital Project Funds</b>	
Capital Improvement	599,139
TIF District #1	20,644

The excess amounts that occurred in the General Fund were covered by the fund balance in that fund. The excess amount in the Special Revenue Fund – Park and Recreation was covered by excess revenues. The excess amounts in Special Revenue Fund – Civic Trust was covered by a transfer from the General Fund and Special Revenue Fund – Community Development Authority -TIF District #1 were covered by fund balance. Capital Projects Fund – TIF District #1 will be covered with future revenues. Capital Projects Fund – Capital Improvements was covered with fund balance.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

**C. DEFICIT BALANCES**

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

As of December 31, 2017, the following individual funds held a deficit balance:

Fund	Deficit Balance	Reason
<b>Debt Service Fund</b>	\$379,569	Costs exceed tax increments collected
<b>Special Revenue Funds</b>		
TIF District #1	\$419,165	Costs exceed tax increments collected
<b>Capital Project Funds</b>		
TIF District #1	\$27,775	Costs exceed tax increments collected

The deficit in the Special Revenue Fund – TIF District #1 and Capital Projects Fund – TIF District #1 is expected to be funded with future tax increment revenues. The deficit in the Debt Service Fund will be paid back with future levy revenue.

VILLAGE OF WESTON  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

D. LIMITATIONS ON THE VILLAGE'S TAX LEVY

As part of Wisconsin Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the percentage change in the Village's equalized value due to net new construction for the 2015 levy collected in 2016 and thereafter. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

E. BOND COVENANT DISCLOSURE – WATER UTILITY, SEWER UTILITY, AND STORMWATER UTILITY

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the 2006, 2007, and 2008 revenue bonds.

Insurance

The water, sewer and stormwater utilities are covered under the following insurance policies at December 31, 2017 (unaudited):

Type	Coverage	Expiration Date
MPIC Insurance		
Building, Personal Property & Property in the Open	\$40,903,214	12/31/2017
Contractor's Equipment	3,418,729	12/31/2017
League of Wisconsin Municipalities Mutual Insurance		
General Liability	\$16,000,000	12/31/2017
Automobile	4,000,000	12/31/2017

Refer to Note V.(B.) for additional insurance information.

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times (or 1.20 times for the stormwater utility) the highest annual debt service of the bonds. The coverage requirement was met as follows:

	Water Utility	Sewer Utility	Stormwater Utility
Operating revenues	\$2,142,021	\$2,020,724	\$ 641,511
Investment earnings	116,447	148,271	5,527
Less: Operations and maintenance expenses	(1,059,217)	(1,350,235)	(141,552)
Net Defined Earnings	\$1,199,251	\$ 818,760	\$ 505,486
Minimum Required Earnings per Resolution:			
Highest annual debt service	\$ 250,702	\$ 561,560	\$ 264,165
Coverage factor	1.25	1.25	1.20
Minimum Required Earnings	\$ 313,378	\$ 701,950	\$ 316,998

VILLAGE OF WESTON  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

E. BOND COVENANT DISCLOSURE – WATER UTILITY, SEWER UTILITY, AND STORMWATER UTILITY (cont.)

Number of Customers

The utilities had the following number of customers and billed volumes for 2017 (unaudited).

	Water Utility		Sewer Utility		Stormwater Utility	
	Customers	Sales (000.gals)	Customers	Sales (000.gals)	Customers	ERUs
Residential	4,669	207,134	4,688	199,067	4,644	4,377
Commercial	405	90,303	558	130,061	482	6,169
Industrial	38	293,520	35	57,667	26	1,344
Public Authority	30	38,627	23	8,612	25	770
Other	169	61,863	-	-	13	158
Totals	5,311	691,447	5,302	395,407	5,190	12,818

Utility Budget

The 2017 water, sewer, and stormwater utility budgets were prepared and approved as required by the bond resolutions. The budget information is as follows:

	Revenues/Sources		Expenses/Uses	
	Actual*	Budget	Actual	Budget
Water Utility	\$2,217,439	\$2,247,420	\$2,268,450	\$2,375,723
Sewer Utility	2,122,459	2,081,104	2,166,485	2,259,608
Stormwater Utility	646,058	646,034	589,502	582,380

\* Excluding capital contribution revenue sources in the Water Utility of \$234,795, Sewer Utility of \$186,661 and in the Stormwater Utility \$143,901.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE IV – 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	\$ 9,995,351	\$ 8,935,081	Custodial credit
Certificates of deposits	2,690,242	2,690,242	Custodial credit
Petty cash	3,700	-	N/A
Total cash	<u>\$12,689,293</u>	<u>\$11,625,323</u>	
Wisconsin Local Government Investment Pool (LGIP)	\$ 2,043		Credit, Interest rate
Municipal securities	534,845		Credit, Custodial credit, Interest rate, Concentration of credit
Negotiable certificates of deposits	3,445,321		Credit, Custodial credit, Interest rate, Concentration of credit
U.S. Government treasury securities	150,117		Custodial credit, Interest rate
U.S. Government agency securities	6,580,022		Credit, Custodial credit, Interest rate, Concentration of credit
Total investments	<u>10,712,348</u>		
Total cash and investments	<u>\$23,401,641</u>		

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$14,311,046
Restricted cash and investments	4,428,865
Per statement of fiduciary net position	
Agency Funds	4,661,730
Total cash and investments	<u>\$23,401,641</u>

Deposits in each local and area bank are insured by the FDIC (Federal Deposit Insurance Corporation), while credit unions are insured by the NCUA (National Credit Union Association), in the amount of \$250,000 for all demand accounts and \$250,000 for time and savings accounts for banks that have opted in.

Bank and credit union accounts and the LGIP are also insured by the State of Wisconsin Deposit Guarantee Fund in the amount of \$400,000 for each financial institution. However, although the fund had reserves available at December 31, 2017, the future availability of resources to cover any losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provide that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

Some financial institutions acting as a depository for the Village are required to pledge collateral to secure all Village funds over and above amounts covered by the FDIC and the State Deposit Guarantee Fund. All securities serving as collateral are specifically pledged to the Village and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The type of collateral used must be satisfactory to the Village. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. Collateral for Village deposits is maintained at a level representing the assumed highest daily balance maintained by the Village. Fluctuating cash flows during the year due to tax collections, receipt of state aids, and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year-end.

The investments in the Local Government Investment Pool (the Pool) are covered up to \$400,000 by the State Guarantee Fund. Certificates of deposit held in the Pool are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

**Fair Value Measurements:** The Village categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2017:

Investment Type	Fair Value Measuring Using		
	Level 1	Level 2	Level 3
U.S. Agencies		\$ 6,580,022	
U.S. Treasuries	150,117		
Negotiable CD's	3,445,321		
Municipal Securities	534,845		
External Investments	2,043		
Total		<u>\$10,712,348</u>	

**Custodial Credit Risk - Deposits:** For 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. The Village does have a deposit policy for custodial credit risk. This policy details eligibility for authorization to include banks or savings and loans that are a member of the FDIC or credit unions that are insured by the NCUA, and qualify as a depository of public funds in the State of Wisconsin. Broker/dealers who desire to become qualified for investment transactions must have a minimum capital requirement of \$10,000,000 and be in operation for at least the last five years. The broker/dealers must also qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule) to be a primary or regional dealer and provide proof of National Association of Securities Dealers ("NASD") certification.

As of December 31, 2017, \$6,594,677 of the Village's bank balances of \$11,625,323 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized demand deposits	\$5,630,179
Uninsured and uncollateralized certificates of deposit	<u>964,498</u>
	<u>\$6,594,677</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

**Custodial Credit Risk - Investments:** For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does have a deposit policy for custodial credit risk as is outlined above.

As of December 31, 2017, the Village does not have any investments exposed to custodial credit risk.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Village does not have a formal credit risk policy, but follows state statutes.

As indicated in Note I. (D.1.), Wisconsin statutes require municipalities to invest in securities which have a rating that is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency or, if that security is senior to, or on a par with, a security of the same issuer which has such a rating. As of December 31, 2017, the Village's investments were rated as follows:

The Village's investments in U.S. Government agency securities issued by the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation are either rated Aaa by Moody's Investors Service or considered "Agency" obligations of the U.S. Government. The State of Wisconsin Transportation Revenue Bonds (Taxable Build America Bonds-Direct Payment) are rated Aa2 by Moody's Investors Service and Aaa by Standard & Poor's. As of December 31, 2017, the Village also had investments in one U.S. Government treasury securities fund that was rated AAA and/or Aaa by Standard & Poor's, Moody's Investors Service, or Fitch Ratings. The Village also had investments in the following external pools that are not rated:

Investment Type  
Wisconsin Local Government Investment Pool (LGIP)

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have a formal concentration of credit risk policy, but attempts to minimize their concentration of credit risk with their investment policy. The Village's investment policy requires them to pre-qualify the financial institutions they work with and to diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

At December 31, 2017, the investment portfolio had concentrations of investments greater than 5% of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Farm Credit Bank	U.S. Government agency notes and mortgage-backed securities	22.90%
Federal Home Loan Mortgage Corp.	U.S. Government agency notes and mortgage-backed securities	9.96%
Federal National Mortgage Association	U.S. Government agency notes and mortgage-backed securities	26.26%

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal policy related to interest rate risk. The Village's investment policy details that the investment and cash management portfolio be designed to attain a fair value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. As of December 31, 2017, the Village's investments were comprised of two portfolios, one managed internally and one managed via external investment advisors, as follows:

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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Investment Type	Fair Value	Weighted Average Maturity (days)	Weighted Average Maturity (years)
Internally managed portfolio:			
Wisconsin Local Government Investment Pool (LGIP)	\$ 2,043	35	8.93
U.S. Government agency notes	6,580,022		3.41
Negotiable certificates of deposit	3,445,321		7.50
Municipal securities	534,845		
Externally managed portfolios:			
U.S. Government treasury securities	150,117	43	
Total fair value	<u>\$10,712,348</u>		

To reduce the risk of loss due to interest rate changes, the Village's investment policy requires investing in securities with varying maturities. To the extent possible, the Village attempts to match the maturity of investments with anticipated cash flow requirements.

**Foreign Currency Risk:** Foreign currency risk is the risk of loss arising from changes in exchange rates that result from holding deposits and investments denominated in foreign currencies. The Village does not have a formal foreign currency policy.

At December 31, 2017, the Village's portfolio did not comprise of any deposits or investments denominated in foreign currencies.

B. RECEIVABLES

All receivable balances are expected to be collected within one year, except for special assessments.

Revenues of the Village are reported net of an allowance for uncollectible amounts (\$12,073).

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period as well as with property taxes received or reported as a receivable before the period for which the property taxes are levied. Governmental funds also report *unearned revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* and *unearned revenue* reported in the governmental funds were as follows:

	Tax Levy and		Totals
	Unavailable	Unearned	
Property taxes receivable	\$ -	\$11,980,237	\$11,980,237
Unearned revenue	-	463	463
Special assessments	240,262	-	240,262
Receivables not received within 60 days of year-end	290,639	-	290,639
Total deferred inflows / unearned revenue	<u>\$ 530,901</u>	<u>\$11,980,700</u>	<u>\$12,511,601</u>

On the statement of net position \$57,021 of unearned revenue is reported from the internal service funds. Property taxes are reported as deferred inflows in the government-wide statements.

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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets for business-type activities:

Long-Term Debt Accounts

- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Construction - Used to segregate the balance of the bond proceeds not yet spent, which will be used to pay for the remainder of the construction projects.

The following calculation supports the amount of restricted net position:

Restricted Assets	Amount
Revenue bond reserve account	\$ 1,076,428
Revenue bond redemption account	887,748
Revenue bond construction account	601,031
Total Restricted Assets	<u>2,565,207</u>
Less: Restricted Assets Not Funded by Revenues	(1,076,428)
Revenue bond reserve account	(601,031)
Revenue bond construction account	(1,677,459)
Total Restricted Assets Not Funded by Revenues	<u>(59,462)</u>
Current Liabilities Payable From Restricted Assets	\$ 828,286
Total Restricted Net Position for debt service as Calculated	\$ 69,591
Total Restricted Net Position for WRS Pension	\$ 69,591

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

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

Governmental Activities

Capital Assets Not Being Depreciated:	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 6,139,048	\$ 82,505	\$(66,335)	\$ 6,155,218
Right-of-ways	659,475	-	-	659,475
Construction in progress	65,647	241,707	-	307,354
Total Capital Assets	6,864,170	324,212	(66,335)	7,122,047
Not Being Depreciated				
Capital Assets Being Depreciated:				
Land improvements	6,199,768	55,160	-	6,254,928
Buildings	6,910,471	-	-	6,910,471
Equipment, furniture, and fixtures	4,748,030	586,932	(138,509)	5,196,453
Road/streets, Curb/gutters, and Driveway approaches	72,423,268	304,283	-	72,727,541
Bridges	2,512,132	-	-	2,512,132
Street lighting	1,659,097	-	-	1,659,097
Traffic signals	1,053,510	-	-	1,053,510
Sidewalks	3,581,245	150,383	-	3,731,628
Total Capital Assets	99,087,511	1,096,758	(138,509)	100,045,760
Being Depreciated				
Less Accumulated Depreciation for:				
Land improvements	3,399,263	306,677	-	3,705,940
Buildings	3,134,924	153,412	-	3,288,336
Equipment, furniture, and fixtures	2,929,253	242,678	(130,627)	3,041,304
Road/streets, Curb/gutters, and Driveway approaches	47,184,044	2,767,288	-	49,951,332
Bridges	404,928	62,804	-	467,732
Street lighting	893,514	81,511	-	975,025
Traffic signals	679,187	40,395	-	719,582
Sidewalks	2,077,621	183,380	-	2,261,001
Total Accumulated Depreciation	60,702,734	3,838,145	(130,627)	64,410,252
Capital Assets, Net of Depreciation	\$45,248,947	\$(2,417,175)	\$(74,217)	\$42,757,555

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 42,272
Public safety	70,065
Public works, which includes the depreciation of infrastructure	3,569,140
Parks, recreation, and education	<u>156,648</u>
Total Governmental Activities Depreciation Expense	\$ 3,838,145

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

<b>Water Utility</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 568,259	\$ -	\$ -	\$ 568,259
Intangible plant - organizational costs	319	-	-	319
Construction in progress	103,692	-	-	103,692
Total Capital Assets	672,270	-	-	672,270
Not Being Depreciated				
Capital Assets Being Depreciated:				
Wells and springs	597,507	-	-	597,507
Buildings and systems	1,028,656	-	-	1,028,656
Improvements other than buildings	25,091,770	1,262,509	(188,616)	26,165,663
Machinery and equipment	2,106,777	140,804	(90,638)	2,156,943
Total Capital Assets	28,824,710	1,403,313	(279,254)	29,948,769
Being Depreciated				
Less Accumulated Depreciation for:				
Wells and springs	237,263	17,327	-	254,590
Buildings and systems	447,277	32,854	-	480,131
Improvements other than buildings	6,819,170	492,532	(98,448)	7,213,254
Machinery and equipment	1,171,457	97,802	(90,638)	1,178,621
Total Accumulated Depreciation	8,675,167	640,515	(189,086)	9,126,596
Capital Assets, Net of Depreciation	\$ 20,821,813	\$ 762,798	\$ (90,168)	\$ 21,494,443

**Sewer Utility**

Capital Assets Not Being Depreciated:	Beginning Balance	Additions	Deletions	Ending Balance
Construction in progress	\$ 387,249	\$ 201,814	\$ (589,063)	\$ -
Capital Assets Being Depreciated:				
Buildings and systems	1,551,199	584,456	-	2,135,655
Improvements other than buildings	28,811,061	169,978	-	28,981,039
Machinery and equipment	744,314	104,631	-	848,945
Total Capital Assets	31,106,574	859,065	-	31,965,639
Being Depreciated				
Less Accumulated Depreciation for:				
Buildings and systems	386,368	36,707	-	423,075
Improvements other than buildings	11,082,129	580,908	-	11,673,037
Machinery and equipment	491,826	54,206	-	546,032
Total Accumulated Depreciation	11,970,323	671,821	-	12,642,144
Capital Assets, Net of Depreciation	\$ 19,523,500	\$ 389,058	\$ (589,063)	\$ 19,323,495

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

<b>Stormwater Utility</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 54,774	\$ -	\$ -	\$ 54,774
Capital Assets Being Depreciated:				
Improvements other than buildings	17,207,448	219,105	-	17,426,553
Machinery and equipment	153,834	-	-	153,834
Total Capital Assets	17,361,282	219,105	-	17,580,387
Being Depreciated				
Less Accumulated Depreciation for:				
Improvements other than buildings	5,401,444	356,009	-	5,757,453
Machinery and equipment	171,678	648	(21,408)	150,918
Total Accumulated Depreciation	5,573,122	356,657	(21,408)	5,908,371
Capital Assets, Net of Depreciation	\$ 11,842,934	\$ (137,552)	\$ 21,408	\$ 11,726,790
Total Business-Type Activities	\$ 52,188,247	\$ 1,014,304	\$ (657,823)	\$ 52,544,728

Depreciation expense was charged to fundions as follows:

**Business-Type Activities**

Water	\$ 598,837
Sewer	713,499
Stormwater	356,657
Total Business-Type Activities Depreciation Expense	<u>\$ 1,668,993</u>

The difference between the depreciation expense reported for water on the income statement (\$598,837) and what is reported in the footnote (\$640,515) is related to the depreciation expense allocated to sewer from water on the water meters. The difference between the depreciation expense reported for sewer on the income statement (\$713,499) and what is reported in the footnote (\$671,821) is related to the depreciation expense allocated from water to sewer on the water meters.



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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

**INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Transfers**

The following is a schedule of interfund transfers:

Transfers In	Amount	Transfers Out	Amount	Principal Purpose
<b>General Fund</b>		Water Utility	\$ 460,337	Payment in lieu of taxes
		Sewer Utility	9,581	Payment in lieu of taxes
		Subtotal	<u>469,918</u>	
<b>Debt Service</b>		General Fund	3,328	Debt service
		Capital Improvements	379,346	Debt service
		Refuse/Recycling	154,620	Debt service
		TIF District #1	448,440	Debt service
		TIF District #2	40,825	Debt service
		CDA/TIF District #1	22,150,728	Debt service
		CDA/TIF District #2	247,133	Debt service
		Water Utility	6,430	Debt service
		Sewer Utility	6,430	Debt service
		Stormwater Utility	3,328	Debt service
		Subtotal	<u>23,440,608</u>	
<b>Special Revenue – TIF District #1</b>		CDA/TIF District #1	47,213	Operating subsidy
<b>Non-major Special Revenue</b>		CDA/TIF District #2	1,397	Operating subsidy
		Room Tax	40,000	Operating subsidy
		General Fund	54,755	Operating subsidy
		Park Trust	56,961	Capital equipment
<b>Non-major Capital Projects</b>		Room Tax	82,722	Capital equipment
		General Fund	54,030	Grant
		Subtotal	<u>289,865</u>	
		Sub-Total – Fund Financial Statements	24,247,604	
		Less: Elimination to government-wide statements	(23,761,498)	
		Total	<u>\$ 486,106</u>	

**Transferred From**

Business-type activities	\$ 486,106	Transferred To	Amount
Less: Governmental activities	-	Governmental activities	-
Total Government-Wide Financial Statements	-	Business-type activities	\$ 486,106

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.

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

**Interfund Receivables/Payables**

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

Receivable Fund	Payable Fund	Amount
General	Special revenue – CDA/TIF District #1	\$ 42,769
General	Special revenue – CDA/TIF District #2	2,969
General	Special revenue – TIF District #1	423,658
General	Capital projects – TIF District #1	33,658
General	Enterprise – sewer utility	9,581
General	Enterprise – water utility	460,337
	Sub-Total - Fund Financial Statements	972,992
	Less: Elimination to government-wide statements	(503,074)
	Total Government-Wide Financial Statements	<u>\$ 469,918</u>
Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	\$ 469,918
Total Government-Wide Financial Statements		<u>\$ 469,918</u>

All of these amounts are due within one year.

The principal purpose of these interfunds is the payment in lieu of taxes ("PILOT") due from the water utility to the general fund (\$460,337) and due from the sewer utility to the general fund (\$9,581), and tax roll collections that were not distributed before year-end. The amounts due from the special revenue funds – TIF District #1 fund (\$423,658), CDA/TIF District #1 fund (\$42,769), CDA/TIF District #2 fund (\$2,969) and the capital projects fund – TIF District #1 (\$33,658) to the general fund resulted from expenditures exceeding revenues. Future fees and taxes will be used in future years to reimburse the general fund.

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

**Advances**

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Debt Service	\$ 389,133	\$ 389,133
Sewer utility	Stormwater utility	365,264	365,264
Less: Elimination to government-wide statements		(754,397)	-
Total Statement of Net Position		-	-

The principal purpose of the interfund is due to expenditures exceeding revenues.

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

**VILLAGE OF WESTON**  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. CAPITAL LEASE OBLIGATIONS**

The government has entered into lease agreements as lessee for financing the acquisition of public works equipment valued at \$1,975,795. The equipment has a ten-year estimated useful life. In 2017, \$172,416 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

Year	<u>Governmental Activities</u>
2018	\$ 391,726
2019	300,059
2020	225,542
2021	178,642
2022	34,711
	<u>1,130,680</u>
	(74,742)
	<u>\$ 1,055,938</u>
Total minimum lease payments	
Less: amount representing interest	
Present value of minimum lease payments	

**G. OPERATING LEASE OBLIGATIONS**

The government has entered into lease agreements as lessee for financing the use of public works equipment valued at \$249,700. The equipment has a ten-year estimated useful life. In 2017, the Village paid \$35,293 for rent paid under operating lease obligations. These lease agreements qualify as operating leases for accounting purposes and have been recorded as expenditures in the financial statements.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

Year	<u>Governmental Activities</u>
2018	\$ 35,293
2019	35,293
2020	99,800
2021	170,386
2022	(12,712)
	<u>\$ 157,674</u>
Total minimum lease payments	
Less: amount representing interest	
Present value of minimum lease payments	

**VILLAGE OF WESTON**  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt	\$ 9,564,541	-	\$ 2,335,300	\$ 7,229,241	\$ 2,035,827
Revenue bonds	22,670,000	19,255,000	21,395,000	20,530,000	1,315,000
Add (Subtract) Deferred Amount for:					
Discounts	(128,770)	-	(115,887)	(244,657)	(2,901)
Premiums	141	-	61	80	61
Sub-Total	32,105,912	19,255,000	23,614,474	27,746,438	3,347,987
Other Liabilities:					
Vested compensated absences	151,128	170,858	172,199	149,787	-
Capital leases	958,464	508,868	411,394	1,055,838	380,068
Advances from developers on TF District letters of credit	1,214,902	-	141,920	1,072,982	99,993
Total Other Liabilities	2,324,494	679,726	725,513	2,278,707	460,061
Total Governmental Activities Long-Term Liabilities	<u>\$ 34,430,406</u>	<u>\$ 19,934,726</u>	<u>\$ 24,339,987</u>	<u>\$ 30,025,145</u>	<u>\$ 3,808,048</u>

**BUSINESS-TYPE ACTIVITIES**

Bonds and Notes Payable:  
General obligation debt  
Revenue bonds  
Add (Subtract) Deferred Amount for:

Discounts	(41,898)	-	(5,661)	(36,237)	(5,661)
Sub-Total	5,941,658	-	995,209	4,946,449	972,080
Other Liabilities:					
Vested compensated absences	19,130	26,718	26,808	19,040	-
Total Business-Type Activities Long-Term Liabilities	19,130	26,718	26,808	19,040	-
	<u>\$ 5,960,788</u>	<u>\$ 26,718</u>	<u>\$ 1,022,017</u>	<u>\$ 4,965,489</u>	<u>\$ 972,080</u>

**VILLAGE OF WESTON**  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS (cont.)**

For the governmental activities, accumulated PTO pay is generally liquidated by the general fund. The advances from developers on TIF District letters of credit will be liquidated by the tax increments received in future years that are recorded in the TIF District #1 – Special Revenue Fund.

**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. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Advances from developers on TIF District letters of credit represent shortfall payments made for the difference between the debt service payments required of a developer's project area and the annual property taxes received from the specific development area. Until the tax increment valuation of new growth in the development area is sufficient to cover the debt service payments for the project, the letter of credit from the developer's bank will be drawn upon to make this shortfall payment. Tax increments received in excess of the required debt service payments will be returned to developers in future years.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2017, was \$56,261,635. Total general obligation debt outstanding at year-end was \$7,371,927.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/17
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Debt					
General Obligation Promissory Notes, 2016	10/10/2016	10/10/2021	2.15%	\$ 433,500	\$ 326,550
General Obligation Promissory Notes, Series 2016	4/11/2016	4/11/2019	1.86%	1,700,000	1,600,000
General Obligation Promissory Notes, Series 2013A	9/26/2013	9/26/2023	2.43%	870,000	522,000
Taxable General Obligation Promissory Notes, Series 2013B	9/24/2013	9/24/2021	3.99%	845,000	422,500
Taxable General Obligation Promissory Notes, Series 2010B	12/21/2010	12/1/2020	1.15 – 4.35%	5,400,000	3,365,000
State Trust Fund Loan, Series 2009	8/21/2009	3/15/2019	4.50%	2,163,431	502,707
General Obligation Promissory Notes, Series 2008	8/11/2008	4/1/2018	3.00 – 4.00%	1,830,000	355,000
General Obligation Corporate Purpose Bonds, Series 2003A	6/15/2003	10/1/2018	2.00 – 3.625%	1,566,451	135,484
Total Governmental Activities – General Obligation Debt					\$ 7,229,241

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/17
<b>BUSINESS-TYPE ACTIVITIES</b>					
General Obligation Debt					
State Trust Fund Loan, Series 2005	10/17/2005	3/15/2015	4.25%	824,601	78,170
General Obligation Corporate Purpose Bonds, Series 2003A	6/15/2003	10/1/2018	2.00 – 3.625%	293,549	64,516
Total Business-Type Activities – General Obligation Debt					\$ 142,686

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt		Total
	Principal	Interest	Principal	Interest	
2018	\$ 2,035,827	\$ 238,580	\$ 102,741	\$ 5,840	\$ 108,581
2019	2,847,764	157,996	3,005,760	39,945	41,743
2020	1,905,825	91,545	1,997,370	-	-
2021	265,825	12,219	278,044	-	-
2022	87,000	4,287	91,287	-	-
2023	87,000	2,143	89,143	-	-
Totals	\$ 7,229,241	\$ 506,770	\$ 7,736,011	\$ 142,686	\$ 150,324

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt**

Revenue bonds for the water, sewer, and stormwater utilities are payable only from revenues derived from the operation of the water utility, sewer utility, or stormwater utility. Revenue bonds for the Weston Community Development Authority are payable from revenues derived from tax increment payments received from TIF District #1 and TIF District #2.

Revenue debt payable at December 31, 2017 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/17
<b>GOVERNMENTAL ACTIVITIES</b>					
Revenue Debt					
Community Development Authority					
Lease Revenue Bonds, Series 2017A	7/13/2017	10/1/2031	1.25 – 3.00%	\$ 19,255,000	\$19,255,000
Community Development Authority					
Lease Revenue Bonds, Series 2005C	4/15/2005	10/1/2020	2.80 – 4.65%	920,000	240,000
Community Development Authority					
Lease Revenue Bonds, Series 2004B	8/9/2004	10/1/2025	3.00 – 4.75%	1,815,000	1,035,000
<b>Total Governmental Activities – Revenue Debt</b>					<b>\$ 20,530,000</b>

**BUSINESS-TYPE ACTIVITIES**

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/17
Revenue Debt					
Sanitary Sewerage System Revenue Bonds, Series 2008	6/23/2008	3/1/2021	3.25 – 4.10%	\$4,525,000	\$ 1,530,000
Stormwater Revenue Bonds, Series 2007	12/28/2007	10/1/2027	4.00 – 4.375%	3,440,000	2,070,000
Water System Revenue Bonds, Series 2006B	1/1/2006	3/1/2025	3.50 – 4.20%	2,506,000	1,240,000
<b>Total Business-Type Activities – Revenue Debt</b>					<b>\$ 4,840,000</b>

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 1,315,000	\$ 486,195	\$ 1,801,195	\$ 875,000	\$ 186,496	\$ 1,061,496
2019	1,330,000	463,818	1,793,818	705,000	154,678	859,678
2020	1,350,000	439,032	1,789,032	745,000	125,639	870,639
2021	1,285,000	412,385	1,697,385	780,000	94,891	874,891
2022	1,310,000	387,950	1,697,950	295,000	72,680	367,680
2023-2027	6,720,000	1,496,535	8,216,535	1,440,000	171,324	1,611,324
2028-2031	7,220,000	599,902	7,819,902	-	-	-
<b>Totals</b>	<b>\$ 20,530,000</b>	<b>\$ 4,285,817</b>	<b>\$ 24,815,817</b>	<b>\$ 4,840,000</b>	<b>\$ 805,708</b>	<b>\$ 5,645,708</b>

**Other Debt Information**

Estimated payments of vested 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.

A statutory mortgage lien upon the Village's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The Village's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

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.

**Current Refunding**

On July 13, 2017 the Community Development Authority issued \$19,255,000 in lease revenue bonds Series A (with interest rates of 1.25% - 3.00%) to current refund outstanding lease revenue bonds dated December 20, 2002, May 22, 2003, August 8, 2004, April 15, 2005, and September 6, 2007.

The cash flow requirement on the refunded debt prior to the current refunding was \$23,637,461 from 2017 through 2025. The cash flow requirements on the 2017 bonds are \$23,044,435.33 from 2017 through 2031. The current refunding resulted in an economic loss (difference between the present values of the debt service payment on the old and new debt) of \$445,080.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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

I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES

Governmental Activities Net Position

Governmental activities net position reported on the government-wide statement of net position at December 31, 2017 includes the following:

Net Investment in Capital Assets:	
Land	\$ 6,155,218
Right-of-ways	659,475
Construction in progress	307,354
Other capital assets, net of accumulated depreciation	35,635,508
Less: related long-term debt outstanding, discount and premium, and loss net of debt used for utility asset contributions (\$6,839,483)	(821,566,616)
Add: unspent debt proceeds	(21,566,616)
Total Net Investment in Capital Assets	<u>21,190,939</u>
Restricted:	
Community Development Authority – TIF District #1 (debt service reserve)	1,570,358
Community Development Authority – TIF District #2 (debt service reserve)	251,253
WRS Pension	415,433
Total Restricted	<u>2,237,044</u>
Unrestricted (deficit):	<u>(6,784,287)</u>
Total Governmental Activities Net Position – December 31, 2017	<u>\$16,643,696</u>

Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2017, include the following:

Major Funds – Details of Fund Balance:

<b>Nonspendable:</b>	
General Fund	
Prepaid items/inventories	\$ 383,422
Due from SAFER	644,620
Advance to Debt Service	389,133
Total Nonspendable	<u>\$ 1,417,175</u>
<b>Restricted:</b>	
Special Revenue Fund – Community Development Authority – TIF District #1	\$ 1,570,358
Debt service	

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
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NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES (cont.)

Governmental Fund Balances (cont.)

Major Funds – Details of Fund Balance (cont.):

<b>Assigned:</b>		
General Fund		\$ 7,500
Public works department – Street lighting / Birch Street		150,000
Subsequent year's expenditures		<u>157,500</u>
Total Assigned		
<b>Unassigned:</b>		
General Fund		\$ 1,042,129
Debt Service Fund		(379,569)
Special Revenue Fund – TIF District #1		<u>(419,165)</u>
Total Unassigned		<u>\$ 243,395</u>
<b>Non-Major Funds – Details of Fund Balance:</b>		
<b>Restricted:</b>		
Special Revenue Fund – Community Development Authority – TIF District #2		\$ 251,253
Debt service		
<b>Committed:</b>		
Special Revenue Fund – Civic and Social		\$ 5,617
<b>Assigned:</b>		
Special Revenue Fund – Aquatic Center		\$ 37,785
Special Revenue Fund – Refuse/Recycling		1,766
Special Revenue Fund – Park and Recreation		10,685
Special Revenue Fund – TIF District #2		169,113
Special Revenue Fund – Room Tax		178,281
Capital Projects Fund – Capital Improvements		<u>65,688</u>
Total Assigned		<u>\$ 463,298</u>
<b>Unassigned:</b>		
Capital Project Fund – TIF District #1		\$ (27,775)

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (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 unrecouped 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.

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

J. BUSINESS-TYPE ACTIVITIES NET POSITION

The following calculation supports the enterprise fund net investment in capital assets:

	Water Utility	Sewer Utility	Stormwater Utility	Total
Plant in Service	\$ 30,517,347	\$ 31,965,639	\$ 17,635,161	\$ 80,118,147
Accumulated Depreciation	(9,126,596)	(12,642,144)	(5,908,371)	(27,677,111)
Construction in Progress	103,692	-	-	103,692
Sub-Total	21,494,443	19,323,495	11,726,790	52,544,728
Less: Capital Related Debt				
Current portion of capital related long-term debt	200,000	500,000	277,741	977,741
Long-term portion of capital related long-term debt	1,040,000	1,030,000	1,934,945	4,004,945
Unamortized loss on refunding	-	(62,255)	-	(62,255)
Unamortized discounts on bonds	(9,644)	(7,445)	(19,148)	(36,237)
Sub-Total	1,230,356	1,460,300	2,193,538	4,884,194
Add: Unspent Debt Proceeds				
Reserve from borrowing	250,703	561,560	264,165	1,076,428
Reserve from revenue bond construction account	-	601,031	-	601,031
Sub-Total	250,703	1,162,591	264,165	1,677,459
Total Net Investment in Capital Assets	\$ 20,514,790	\$ 19,025,786	\$ 9,797,417	\$ 49,337,993

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

General Information about the Pension Plan (cont.)

The WRS also provides death and disability benefits for employees.

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 \$109,671 in contributions from the Village and \$18,389 from the Utilities.

Contributions rates as of December 31, 2017 are:

General (including executives and elected officials)	Employee	Employer
Protective with Social Security	6.80%	6.80%
Protective without Social Security	6.80%	10.80%
	6.80%	15.10%

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
2007	3.00%	10.00%
2008	6.00%	0.00%
2009	-2.10%	-42.00%
2010	-1.30%	22.00%
2011	-1.20%	11.00%
2012	-7.00%	-7.00%
2013	9.00%	9.00%
2014	4.70%	25.00%
2015	2.90%	2.00%
2016	-.50%	-5.00%

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

At December 31, 2017, the Village reported a liability of \$104,036 for its proportionate share of the net pension liability. The Utilities reported a liability of \$17,514 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. The Village's proportion of the net pension asset was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.01474695%, which was a decrease of 0.00171452% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$287,804. The Utilities recognized pension expense of \$48,259. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 46,347	\$ 382,264
Changes in Assumptions	127,085	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	724,883	119,846
Change in Proportion and Differences Between Village Contributions and Disproportionate share of Contributions	73,595	-
Village Contributions Subsequent to the Measurement Date	136,774	\$ 502,110
Total	\$1,108,684	

\$117,133 reported as deferred outflows of resources related to pensions resulting from Village contributions and \$19,641 reported as deferred outflows of resources related to pensions resulting from Utilities' contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2017. Other amounts reported related to the Village reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$288,168	\$130,177
2018	288,168	130,177
2019	239,738	130,177
2020	15,771	39,476
Thereafter	500	0

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

Other amounts reported related to the Utilities reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 48,319	\$21,828
2018	48,319	21,828
2019	40,199	21,828
2020	2,644	6,619
Thereafter	84	0

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

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair 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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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:

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

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
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5%	37%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20%	4.3%	1.5%
Real Estate	8%	7%	6.5%	3.6%
Private Equity/Debt	8%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
Variable Fund Asset Class				
U.S. Equity	70%	70%	7.6%	4.7%
International Equity	30%	30%	9.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.10% 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 contributory 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 asset.

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

Village's Proportionate Share of the Net Pension Liability (Asset)	Current		1% Increase
	1% Decrease	Discount Rate	
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$1,369,443	(7.20%)	\$(870,280)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$229,626		\$(145,927)

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://efw.wi.gov/publications/cafr.htm> and reference report number 15-11.

Payables to the Pension Plan. At December 31, 2017 the Village reported payables to WRS of \$22,875 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.



**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE V – OTHER INFORMATION (cont.)**

**E. JOINT VENTURES**

**Everest Metro Public Safety**

The Everest Metro Police Department (EMPD) began on October 4, 1993, as a joint venture between the Village of Weston, Town of Weston, and City of Schofield. The communities have also joined together to form the Everest Metro Municipal Court (EMMC). The two departments operate under Everest Metro Public Safety (EMPS). Each municipality pays a proportionate share of the costs for police services and municipal court costs. The police department's current cost proration for 2017 is for the Village of Weston to pay 77.14%, the Town of Weston to pay 4.11%, and the City of Schofield to pay 18.75% of the actual expenditures. The municipal court's current cost proration for 2017 is for the Village of Weston to pay 73.14%, the Town of Weston to pay 2.81%, and the City of Schofield to pay 24.05%. The 2017 difference may be allocated to the municipalities at the same proration in the next year.

Everest Metro Public Safety is overseen by a seven-member finance committee made up of three Village of Weston officials, three City of Schofield officials, and one Town of Weston official. The finance committee approves a budget and controls all financial aspects of the department. A separate seven-member administrative committee (Police Commission) is appointed to control management and policy of the police department.

The Village contributed \$2,366,888 in 2017 for the operations of the EMPD and \$57,248 for EMMC. The Village accounts for its costs of the operation in the general fund and has an equity interest in the organization equal to its percentage share of participation. The EMPS issues separate financial statements available at the Village municipal center offices. A copy of the annual financial statements may be obtained by writing to the Village of Weston, 5500 Schofield Avenue, Weston, WI 54476.

Summarized information for EMPS's year ending December 31, 2017, which are the most recently audited financial statements, is as follows:

<b>Assets</b>		
Current assets	\$ 1,053,437	
Capital assets, net of depreciation	260,605	
Total assets	<u>\$1,314,042</u>	
<b>Deferred Outflows of Resources</b>		
Proportionate share of WRS pension plan	\$881,373	
Pension contributions for subsequent year	208,156	
Total deferred outflows of resources	<u>\$1,189,529</u>	
<b>Liabilities</b>		
Current liabilities	\$ 371,736	
Net pension liability	150,826	
Noncurrent portion of long-term obligations	69,894	
Total liabilities	<u>\$ 592,456</u>	
<b>Deferred Inflows of Resources</b>		
Proportionate share of WRS pension plan	\$ 474,649	
<b>Net Position</b>		
Net investment in capital assets	\$ 260,605	
Unrestricted	1,175,661	
Total net position	<u>\$1,436,266</u>	
<b>Revenue</b>		
Received from Village of Weston	\$2,439,256	
Received from City of Schofield	599,430	
Received from Town of Weston	117,199	
Other revenue	228,181	
Total revenue	<u>3,384,066</u>	
<b>Expenses</b>		
<b>Change in net position</b>		
	\$ 52,832	

The financial and payroll administration of the EMPS is performed by the employees of the Village of Weston. In 2017, the EMPD paid the Village \$35,000 for administrative services and \$15,120 for rent.

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**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE V – OTHER INFORMATION (cont.)**

**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 theft of, and damage to, or destruction of assets, and also for torts, errors and omissions, workers compensation, general liability coverage, and health. Settled claims have not exceeded commercial coverage in any of the three preceding years. There were no significant reductions in coverage compared to the prior year. Other risks, such as dental coverage of its employees are accounted for and financed by the Village in an internal service fund – the fringe benefits fund. The Village's self-insured dental insurance program began in November 2002.

**C. COMMITMENTS AND CONTINGENCIES**

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 grant. Village management believes such disallowances, if any, would be immaterial.

Occasionally, the Village will borrow funds for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the Capital Projects Funds and Enterprise Funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures (in the capital projects funds). The balance of contract amounts plus open purchase orders is classified as a committed fund balance at year-end from which committed resources are used to liquidate the encumbrance.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

The Town of Weston, now Village of Weston Landfill, was closed in 1986. State and federal laws and regulations require that the Village of Weston perform certain maintenance and monitoring functions at the landfill site. During 1993, the State of Wisconsin Department of Natural Resources issued a conditional approval modifying the landfill closure plan. In 1994, the Town began work on the modified closure, which involves the installation of a composite cap over the landfill with an active gas extraction system within the landfill. The new cover and extraction system were completed in 1995. However, it is anticipated that the Town/Village will be faced with additional clean-up and long-term monitoring costs in the future due to changes in technology and changes in laws and regulations. The future costs of these possible changes are unknown at the present time.

**D. LITIGATION**

From time to time, the Village becomes party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. JOINT VENTURES (cont.)

South Area Fire & Emergency Response District

The South Area Fire & Emergency Response District (SAFER) began on January 1, 2014, as a joint venture between the Village of Weston and the Town of Rib Mountain. Each municipality pays a proportionate share of the costs for the services of the SAFER District. The current proration of costs for 2017 is for the Village of Weston to pay 66.44% and the Town of Rib Mountain to pay 33.56% of the SAFER budget.

The department is overseen by a five-member Board of Directors (the Board) made up of the Rib Mountain Town Board Chairperson or his/her designee, the Village of Weston President or his/her designee, one community representative from the Village, one community representative from the Town, and a resident of the areas served by SAFER. The Board approves a budget and controls all financial aspects of the department. A separate five-member administrative committee (Commission) is appointed to control management and policy of the department.

The Village contributed \$1,186,760 in 2016 for the operations of SAFER. The Village accounts for its costs of the operation in the general fund and has an equity interest in the organization equal to its percentage share of participation.

SAFER issues separate financial statements available at the Village municipal center offices. A copy of the annual financial statements may be obtained by writing to the Village of Weston, 5500 Schrofeld Avenue, Weston, WI 54476.

Summarized information for SAFER's year ending December 31, 2016, which are the most recently audited financial statements, is as follows:

<b>Assets</b>	
Current assets	\$ 624,804
Capital assets, net of depreciation	2,640,246
Total assets	\$3,265,050
<b>Liabilities</b>	
Current liabilities	\$ 645,868
Noncurrent portion of long-term obligations	36,404
Total liabilities	\$ 682,272
<b>Net Position</b>	
Net investment in capital assets	\$2,640,246
Unrestricted	(57,466)
Total net position	\$2,582,778
<b>Revenue</b>	
Received from Village of Weston	\$1,166,760
Received from Town of Rib Mountain	560,030
Received from other municipalities	170,254
Other revenue	1,149,000
Total revenue	3,046,044
<b>Expenses</b>	
	2,570,080
<b>Change in net position</b>	\$475,964

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

F. SUBSEQUENT EVENTS

Management evaluated subsequent events up to the date the accompanying financial statements were available to be issued.

G. CREATION OF COMMUNITY DEVELOPMENT AUTHORITY AND LEASE COMMITMENTS

During 2002, the Community Development Authority of the Village of Weston was formed for the purpose of providing public benefits, including the elimination of blight, clearance of undesirable conditions, and the creation of urban renewal and community development programs. The Community Development Authority found it necessary and desirable to finance an additional portion of a project and to refund existing debt from 2002 Bonds, 2003A Bonds, 2004A Bonds, 2005A Bonds and 2007A Bonds. The 2007B Bonds have been defeased with funds on hand. The Village is in turn leasing the same land from the Community Development Authority with rental payments being equal to the annual amount of principal and interest due on the borrowing. It is anticipated that over the life of the revenue bonds, the tax increments generated from Tax Incremental Financing (TIF) District #1 and District #2 will be used to repay the revenue bonds and reduce future rental payments due from the Village. The lease expires in 2031 for TIF District #1 and in 2025 for TIF District #2. The future minimum lease payments under this lease are as follows:

Years	TIF #1		TIF #2		Grand Total
	District	Total	District	Total	
2018	\$1,556,862	1,793,818	\$244,333	1,801,195	\$1,801,195
2019	1,547,738	1,793,818	246,080	1,793,818	1,793,818
2020	1,541,847	1,789,032	247,185	1,789,032	1,789,032
2021	1,539,673	1,697,385	157,712	1,697,385	1,697,385
2022	1,541,112	1,568,837	156,837	1,697,949	1,697,949
2023-2027	7,739,735	476,800	476,800	8,216,535	8,216,535
2028-2031	7,819,903	-	-	7,819,903	7,819,903
Total	\$23,286,870	\$1,528,947	\$1,528,947	\$24,815,817	\$24,815,817

The rental expense for the year ended December 31, 2017, was \$903,671 for TIF District #1 and \$247,133 for TIF District #2.

**VILLAGE OF WESTON**

STATEMENT OF NET POSITION  
FIDUCIARY FUND  
December 31, 2017

	Property Tax
<b>ASSETS</b>	
Cash and investments	\$ 4,661,730
Taxes receivable	10,094,429
<b>TOTAL ASSETS</b>	<u>14,756,159</u>
<b>LIABILITIES</b>	
Intergovernmental payables	14,756,159
<b>TOTAL LIABILITIES</b>	<u>\$ 14,756,159</u>

**VILLAGE OF WESTON**

REQUIRED SUPPLEMENTARY INFORMATION  
NET PENSION ASSET  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
For the Year Ended December 31, 2017

Year	Required Contributions	Contributions Made	Contribution Deficiency (Excess)	Total Payroll	Contributions as a percentage of Payroll
2014	\$ 147,360	\$ 147,360	\$ -	\$ 2,005,535	7.35%
2015	152,227	152,227	-	2,107,841	7.22%
2016	128,060	128,060	-	1,940,306	6.60%

**VILLAGE OF WESTON**

REQUIRED SUPPLEMENTARY INFORMATION  
NET PENSION ASSET  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF  
NET PENSION LIABILITY (ASSET)  
For the Year Ended December 31, 2017

Fiscal Year Ending	Proportion of Net Pension Liability (Asset)	Beginning Balance of Net Pension Liability (Asset)	Ending Balance of Net Pension Liability (Asset)	Total Payroll	Ending Net Pension Liability (Asset) as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
2014	0.01751844%	\$ (761,241)	\$ (430,301)	\$ 2,005,535	21.46%	102.74%
2015	0.01646147%	(430,301)	267,495	2,107,841	12.69%	98.20%
2016	0.01474695%	267,495	121,550	1,940,306	6.26%	99.12%

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71**

The Village of Weston implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68 for the fiscal year ended December 31, 2015. Information for prior years is not available.

**NOTE B - WISCONSIN RETIREMENT SYSTEM**

There were no changes of benefit terms or assumptions for any participating employer in the WFRS.

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

**GENERAL FUND**

The General Fund is the general operating fund of the Village. This fund accounts for the financial resources of the Village that are not accounted for in any other fund. Principal sources of revenue are property taxes, state transportation aids, and state shared revenues. Primary expenditures are for police protection, fire protection, public works, maintenance of parks, and general administration.

**VILLAGE OF WESTON**  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>TAXES</b>				
General property taxes	\$ 3,617,314	\$ 3,617,314	\$ 3,623,858	\$ 6,544
Mobile home taxes	40,000	40,000	43,710	3,710
Other tax revenue	2,040	2,040	4,678	2,638
Utility tax - Village of Rothschild	113,575	113,575	97,674	(15,901)
Total Taxes	<u>3,772,929</u>	<u>3,772,929</u>	<u>3,769,920</u>	<u>(3,009)</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	1,053,625	1,053,625	1,058,806	5,181
Highway maintenance aids	663,360	663,360	663,356	(4)
Fire insurance tax	40,600	40,600	45,202	4,602
Act 102 EMS	7,300	7,300	-	(7,300)
Other state and federal grants	116,712	116,712	112,479	(4,233)
Total Intergovernmental Revenues	<u>1,881,597</u>	<u>1,881,597</u>	<u>1,879,843</u>	<u>(1,754)</u>
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	23,500	23,500	22,336	(1,164)
Cable franchise	172,300	172,300	173,234	934
Operators/amusement	20,300	20,300	18,642	(1,658)
Cigarette	1,300	1,300	1,200	(100)
Sundry	8,800	8,800	10,285	1,485
Pets - dogs and cats	19,650	19,650	21,445	1,795
Permits				
Building & electrical	120,140	120,140	161,920	41,780
Zoning	5,600	5,600	5,430	(170)
Road excavation	1,500	1,500	4,875	3,375
Sundry	4,400	4,400	1,800	(2,600)
Total Licenses and Permits	<u>377,490</u>	<u>377,490</u>	<u>421,167</u>	<u>43,677</u>
<b>FINES AND FORFEITURES</b>				
	96,550	96,550	58,121	(38,429)
<b>SPECIAL ASSESSMENTS</b>				
	\$ 5,500	\$ 5,500	\$ 6,412	\$ 912

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
General government	\$ 9,305	\$ 9,305	\$ 11,195	\$ 1,890
Police	35,000	35,000	35,000	-
Ambulance/EMS	-	-	4,537	4,537
Inspection services	1,000	1,000	-	(1,000)
Highways and streets	40,150	40,150	51,022	10,872
Rental of village property	5,950	5,950	4,611	(1,339)
Park and recreation	7,280	7,280	8,030	750
Economic development	100	100	-	(100)
Total Charges for Services	98,785	98,785	114,395	15,610
<b>CONTRIBUTIONS AND DONATIONS</b>	775	775	-	(775)
<b>INVESTMENT EARNINGS AND MISCELLANEOUS</b>				
Investment earnings	59,000	59,000	41,504	(17,496)
Insurance recoveries	12,000	12,000	8,607	(3,393)
Miscellaneous general revenues	28,510	28,510	29,335	825
Total Investment Earnings and Miscellaneous	99,510	99,510	79,446	(20,064)
Total Revenues	6,333,136	6,333,136	6,329,304	(3,832)
<b>OTHER FINANCING SOURCES</b>				
Transfers from				
Water utility fund - payment in lieu of taxes	470,068	470,068	460,337	(9,731)
Sewer utility fund - payment in lieu of taxes	-	-	9,581	9,581
Total Transfers	470,068	470,068	469,918	(150)
Total Other Financing Sources	470,068	470,068	469,918	(150)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 6,803,204	\$ 6,803,204	\$ 6,799,222	\$ (3,982)

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Village board	\$ 40,000	\$ 43,305	\$ 43,933	\$ (628)
Village municipality dues/memberships	6,430	3,125	5,572	(2,447)
Administrator	96,724	96,724	88,988	7,736
Clerk's office	193,933	176,933	175,319	1,614
Personnel/human resources	8,450	8,450	4,842	3,608
Elections	15,757	10,602	9,630	972
Municipal court	57,249	57,249	57,248	1
Village attorney	30,320	52,475	52,473	2
Village assessor	32,553	32,553	30,755	1,798
Finance/audit and budget	182,477	194,327	190,792	3,535
Tax collection	17,343	12,343	16,627	(4,284)
Risk management/insurance	81,980	81,980	68,663	13,317
Data processing/central services	171,110	161,110	155,031	6,079
Information technology	60,360	60,360	60,135	225
Board of review	400	400	122	278
Finance committee	2,392	2,392	1,209	1,183
Personnel committee	1,568	1,568	669	899
Municipal building	57,451	57,451	48,932	8,519
Tax refunds/Bad Debt	2,000	2,000	20,445	(18,445)
Capital outlay - General Government	56,000	42,572	38,278	4,294
Total General Government	1,114,497	1,097,919	1,068,629	29,290
<b>PUBLIC SAFETY</b>				
Police department				
Administration/operations	2,354,513	2,366,888	2,366,888	-
Building rent payment	15,120	15,120	15,120	-
Fire department				
Administration/operations - Village	8,218	8,218	1,223	6,995
SAFER District	569,985	569,985	569,985	-
Public safety building maintenance	8,800	31,971	30,842	1,129
Public safety committee	1,117	1,117	895	222
Public safety warning sirens	2,700	2,700	1,652	1,048
Building inspections	188,010	188,010	171,754	16,256
Weights and measures	3,400	3,400	3,200	200
Total Public Safety	3,151,863	3,187,409	3,161,559	25,850

See accompanying notes to required supplementary information.

**VILLAGE OF WESTON**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC WORKS</b>				
Administration	\$ 35,859	35,859	\$ 33,192	\$ 2,667
Engineering	37,340	37,340	34,643	2,697
Road and street maintenance	1,133,032	1,090,032	1,064,838	25,194
Street irrigation maintenance	31,746	55,174	57,150	(1,976)
Snow and ice control	356,881	365,361	363,045	2,316
Street lighting	174,486	174,486	193,100	(18,614)
Street sweeping	19,297	19,297	16,611	2,686
Traffic control	35,500	35,500	27,686	7,814
Mowing	25,084	13,434	13,953	(519)
Public infrastructure committee	1,218	1,218	526	692
Capital outlay - Public Works	-	-	-	-
Total Public Works	<u>1,850,443</u>	<u>1,827,701</u>	<u>1,804,744</u>	<u>22,957</u>

**HEALTH AND HUMAN SERVICES**

County humane animal shelter	14,520	14,520	13,423	1,097
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**PARKS, RECREATION, AND EDUCATION**

Administration	254,017	214,368	191,202	23,166
Park maintenance	80,369	124,884	125,174	(290)
Ice rinks	5,000	5,000	3,265	1,735
Parks and recreation committee	1,230	1,230	1,177	53
Total Parks, Recreation, and Education	<u>340,616</u>	<u>345,482</u>	<u>320,818</u>	<u>24,664</u>

**COMMUNITY DEVELOPMENT**

Administration	173,946	173,946	169,303	4,643
Planning commission	8,097	8,097	2,711	5,386
Board of appeals	2,560	2,560	350	2,210
Extrajurisdictional limits committee	1,788	1,788	1,264	524
Smart growth/Land use	28,199	28,199	10,919	17,280
Taxpayer relations	109,940	109,940	116,388	(6,448)
Capital outlay - Community Development	2,800	2,800	3,039	(239)
Total Community Development	<u>327,330</u>	<u>327,330</u>	<u>303,974</u>	<u>23,356</u>

**VILLAGE OF WESTON**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OTHER</b>				
Contingency reserve	\$ 44,366	-	\$ -	\$ -
Total Expenditures	6,843,635	6,800,361	6,673,147	127,214
<b>OTHER FINANCING USES</b>				
Transfers To		25,000	54,030	-
Capital improvements	-	-	3,328	(3,328)
Debt service	28,325	28,325	26,327	1,998
Refuse / recycling	-	-	28,428	(14,184)
Civic Trust	53,325	14,244	112,113	(15,514)
Total Other Financing Uses	<u>81,650</u>	<u>67,569</u>	<u>112,113</u>	<u>(15,514)</u>

**TOTAL EXPENDITURES AND OTHER FINANCING USES**

	<u>\$ 6,896,960</u>	<u>\$ 6,896,960</u>	<u>\$ 6,785,260</u>	<u>\$ 111,700</u>
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See accompanying notes to required supplementary information.

See accompanying notes to required supplementary information.

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Included in the Major Governmental Funds are:

**TAX INCREMENTAL FINANCING (TIF) DISTRICT #1**

To account for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #1. This district includes the Weston Business/Technology Park and the Putnam Corporate Park Development. The district was created in 1998.

**COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #1**

To account for the receipt of Community Development Authority (CDA) Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. These proceeds are then transferred out to the Tax Incremental Financing (TIF) District #1 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

**VILLAGE OF WESTON**

**TIF DISTRICT #1 - SPECIAL REVENUE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,787,918	\$ 4,787,918	\$ 4,787,918	\$ -
Intergovernmental	67,071	67,071	67,147	76
Special assessments	14,700	14,700	14,697	(3)
Investment earnings and miscellaneous	2,500	2,500	845	(1,655)
Total Revenues	<u>4,872,189</u>	<u>4,872,189</u>	<u>4,870,607</u>	<u>(1,582)</u>
<b>EXPENDITURES</b>				
Current				
Community development	5,439,612	3,639,868	1,040,876	2,798,982
Debt service				
Principal retirement	45,000	45,000	141,920	(96,920)
Interest and fiscal charges	-	-	5,371	(5,371)
Total Expenditures	<u>5,484,612</u>	<u>3,684,868</u>	<u>1,188,167</u>	<u>2,696,701</u>
Excess (deficiency) of revenues over expenditures	<u>(612,423)</u>	<u>987,321</u>	<u>3,682,440</u>	<u>2,695,119</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	74,664	74,664	47,213	(27,451)
Transfers out	(448,440)	(448,440)	(448,440)	-
Total Other Financing Sources (Uses)	<u>(373,776)</u>	<u>(373,776)</u>	<u>(401,227)</u>	<u>(27,451)</u>
Net Change in Fund Balance	(986,199)	613,545	3,281,213	2,667,668
FUND BALANCE (DEFICIT) - Beginning	(3,700,378)	(3,700,378)	(3,700,378)	-
FUND BALANCE (DEFICIT) - Ending	<u>\$ (4,686,577)</u>	<u>\$ (3,086,833)</u>	<u>\$ (419,165)</u>	<u>\$ 2,667,668</u>



VILLAGE OF WESTON

COMMUNITY DEVELOPMENT AUTHORITY-TIF DISTRICT #1 - SPECIAL REVENUE FUND (MAJOR FUND)  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final		Positive	(Negative)
<b>REVENUES</b>					
Charges for services	\$ 5,141,770	\$ 3,542,026	\$ 903,671	\$ (2,638,355)	
Investment earnings and miscellaneous	81,075	81,075	56,978	(24,097)	
Total Revenues	5,222,845	3,623,101	960,649	(2,662,452)	
<b>EXPENDITURES</b>					
Current					
Community development	3,733	3,733	3,177	556	
Debt service	2,678	398,826	402,737	(3,911)	
Interest and fiscal charges	6,411	402,559	405,914	(3,355)	
Total Expenditures	5,216,434	3,220,542	554,735	(2,665,807)	
Excess of revenues over expenditures	-	-	19,004,851	1	
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds/notes issued	-	19,004,850	19,004,851	1	
Transfers out	(5,216,434)	(22,225,392)	(22,197,941)	27,451	
Total Other Financing Sources (Uses)	(5,216,434)	(3,220,542)	(3,193,090)	27,452	
Net Change in Fund Balance	-	-	(2,638,355)	(2,638,355)	
FUND BALANCE - Beginning	4,208,713	4,208,713	4,208,713	-	
FUND BALANCE - Ending	\$ 4,208,713	\$ 4,208,713	\$ 1,570,358	\$ (2,638,355)	

VILLAGE OF WESTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2017

**BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

General Fund		Final Amended Budget		Actual Expenditures		Excess
		Budget		Expenditures		
Village Board	\$ 43,305	\$	43,933	\$	628	
Village municipality dues/memberships	3,125		5,572		2,447	
Tax collection	12,343		16,627		4,284	
Tax refund/sbad debt	2,000		20,445		18,445	
Street irrigation maintenance	55,174		57,150		1,976	
Street lighting	174,486		193,100		18,614	
Mowing	13,434		13,953		519	
Park maintenance	124,884		125,174		290	
Taxpayer relations	109,940		116,388		6,448	
Capital outlay - Community Development	2,800		3,039		239	
Transfer to debt service	-		3,328		3,328	
Transfer to Civic Trust	14,244		28,428		14,184	
<b>Special Revenue Funds</b>						
Community Development Authority - TIF #1	402,559		405,914		3,355	

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

**DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources used for the payment of general obligation bonds and notes issued by the Village of Weston, payment of revenue bonds for Tax Incremental Financing (TIF) Districts #1 and #2 issued by the Village of Weston, and payment of lease revenue bonds for Tax Incremental Financing (TIF) Districts #1 and #2 issued by the Community Development Authority on behalf of the Village of Weston. Financing for the debt service fund is primarily provided from general property taxes, special assessments, charges for services, and transfers from TIF Districts #1 and #2.

**SUPPLEMENTARY INFORMATION**

VILLAGE OF WESTON

DEBT SERVICE FUND (MAJOR FUND)  
BALANCE SHEET  
December 31, 2017

<b>ASSETS</b>	
<b>CASH AND INVESTMENTS</b>	
<b>RECEIVABLES</b>	
Taxes	1,606,074
Special assessments	216,961
Intergovernmental receivables	9,564
Total Receivables	<u>1,832,599</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,832,599</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Advance from General Fund	389,133
Total Liabilities	<u>389,133</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Succeeding year's property taxes	1,606,074
Special assessments	216,961
Total Deferred Inflows of Resources	<u>1,823,035</u>
<b>FUND BALANCE</b>	
Unrestricted (deficit)	(379,569)
Total Fund Balance	<u>(379,569)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 1,832,599</u>

VILLAGE OF WESTON

DEBT SERVICE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ -
Intergovernmental	22,565	22,565	26,448	3,883
Special assessments	100,161	100,161	118,055	17,894
Charges for services	20,420	20,420	20,420	-
Investment earnings and miscellaneous	12,940	12,940	12,539	(401)
Total Revenues	<u>1,706,086</u>	<u>1,706,086</u>	<u>1,727,462</u>	<u>21,376</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	7,109,619	24,169,619	24,141,694	27,925
Interest and fiscal charges	1,401,979	1,350,937	1,343,361	7,576
Total Expenditures	<u>8,511,598</u>	<u>25,520,556</u>	<u>25,485,055</u>	<u>35,501</u>
Deficiency of revenues over expenditures	<u>(6,805,512)</u>	<u>(23,814,470)</u>	<u>(23,757,593)</u>	<u>56,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,348,531	23,357,489	23,440,608	83,119
Net Change in Fund Balance	(456,981)	(456,981)	(316,985)	139,996
<b>FUND BALANCE (DEFICIT) - Beginning</b>	<u>(62,584)</u>	<u>(62,584)</u>	<u>(62,584)</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - Ending</b>	<u>\$ (519,565)</u>	<u>\$ (519,565)</u>	<u>\$ (379,569)</u>	<u>\$ 139,996</u>

## NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

#### **REFUSE/RECYCLING**

To account for the receipt of State grants, user fees, and the corresponding program expenditures for the Village's refuse and recycling program.

#### **TAX INCREMENTAL FINANCING (TIF) DISTRICT #2**

To account for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #2. This district includes the Schofield Avenue Business Corridor Area between STH Business 51 and Birch Street. The district was created in 2004.

#### **COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #2**

To account for the receipt of Community Development Authority (CDA) Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. These proceeds are then transferred out to the Tax Incremental Financing (TIF) District #2 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

#### **AQUATIC CENTER**

To account for the receipt of program revenues and other revenues and corresponding program expenditures for the Weston Aquatic Center.

#### **ROOM TAXES**

To account for the receipt of hotel/motel room taxes and corresponding program expenditures in the areas of recreation, promotion, and tourism.

#### **CIVIC AND SOCIAL**

To account for monies received from private donations to finance the future Weston Tri-Centennial Celebration and to provide scholarships to Weston residents (from the Weston Centennial Homecoming Fund) that are D.C. Everest Senior High School graduates and are enrolling in a college curriculum. In addition, the fund keeps track of farmer's market and newsletter revenue and expenses.

#### **PARK AND RECREATION**

To account for monies received from private donations and private developers to finance future parkland acquisitions, specific park/recreation projects, and specific trail system improvements.

## NONMAJOR GOVERNMENTAL FUNDS

## NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

### CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds). Resources are derived from general obligation bond and note issues, revenue bond issues, certain state grants, tax incremental financing district land sales, and other specific receipts.

Included in the Non-Major Governmental Funds are:

#### **CAPITAL IMPROVEMENTS**

To account for the construction of new streets, sidewalks, and curb/gutters, and for major improvements to existing streets that are designated in the Village's annual Capital Improvements Program. The primary financial resources of this fund are proceeds of general obligation debt and special assessments assessed to benefited property owners. This fund is also used to account for the financing and acquisition of certain equipment for the Public Works, Parks & Recreation, and Fire Departments as designated in the Village's annual Capital Improvements Program.

#### **TAX INCREMENTAL FINANCING (TIF) DISTRICT #1**

To account for the financing and project costs for public improvement and private development within the area of TIF District #1 as provided for in the Tax District's project plan. The primary financial resources of this fund are proceeds of general obligation and revenue bond debt and TIF land sales. This district includes the Weston Business/Technology Park and the Putnam Corporate Park Development, which includes the St. Clare's Hospital/Marshfield Clinic medical complex. The district was created in 1998.

## VILLAGE OF WESTON

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2017

	Special Revenue Funds			Comm. Dev. Authority - TIF District #2
	Refuse / Recycling	TIF District #2	TIF District #2	
<b>ASSETS</b>				
<b>CASH AND INVESTMENTS</b>	\$ 59,844	\$ 169,737		\$ -
<b>RECEIVABLES</b>				
Taxes	757,511	393,993		-
Accrued interest	-	-		2,048
Other	-	-		-
Total Receivables	<u>757,511</u>	<u>393,993</u>		<u>2,048</u>
<b>PREPAID ITEMS</b>	-	-		-
<b>RESTRICTED CASH AND INVESTMENTS</b>	-	-		252,906
<b>TOTAL ASSETS</b>	<u>\$ 817,355</u>	<u>\$ 563,730</u>		<u>\$ 254,954</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 57,940	\$ -		\$ -
Other accrued liabilities	629	624		732
Intergovernmental payables	-	-		-
Due to other funds	-	-		2,969
Unearned revenue	-	-		-
Total Liabilities	<u>58,569</u>	<u>624</u>		<u>3,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year's property taxes	757,020	393,993		-
Total deferred inflows of resources	<u>757,020</u>	<u>393,993</u>		<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	-	-		-
Restricted	-	-		251,253
Committed	-	-		-
Assigned	1,766	169,113		-
Unassigned	-	-		-
Total Fund Balances (Deficit)	<u>1,766</u>	<u>169,113</u>		<u>251,253</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 817,355</u>	<u>\$ 563,730</u>		<u>\$ 254,954</u>

**VILLAGE OF WESTON**  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
December 31, 2017

		Special Revenue Funds			
Aquatic Center	Room Taxes	Civic and Social	Park and Recreation		
\$ 39,490	\$ 92,062	\$ 5,617	\$ 10,685		
40,000	-	-	-		
-	86,484	-	-		
<u>40,000</u>	<u>86,484</u>	<u>-</u>	<u>-</u>		
-	-	-	-		
-	-	-	-		
<u>\$ 79,490</u>	<u>\$ 178,546</u>	<u>\$ 5,617</u>	<u>\$ 10,685</u>		

\$ 1,322	\$ 222	\$ -	\$ -		
-	43	-	-		
20	-	-	-		
-	-	-	-		
363	-	-	-		
<u>1,705</u>	<u>265</u>	<u>-</u>	<u>-</u>		
40,000	-	-	-		
<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>		
-	-	-	-		
-	-	-	-		
37,785	176,281	5,617	10,685		
<u>37,785</u>	<u>176,281</u>	<u>5,617</u>	<u>10,685</u>		
\$ 79,490	\$ 178,546	\$ 5,617	\$ 10,685		

		Capital Projects Funds		Total Nonmajor Governmental Funds
	Capital Improvements	TIF District #1		
<b>CASH AND INVESTMENTS</b>	\$ 46,622	\$ -		\$ 424,057
<b>RECEIVABLES</b>				
Taxes	93,326	-		1,284,830
Accrued interest	-	2,048		2,048
Other	-	2,001		88,485
Total Receivables	<u>93,326</u>	<u>2,001</u>		<u>1,375,363</u>
<b>PREPAID ITEMS</b>	19,046	5,000		24,046
<b>RESTRICTED CASH AND INVESTMENTS</b>	-	-		252,906
<b>TOTAL ASSETS</b>	<u>\$ 158,994</u>	<u>\$ 7,001</u>		<u>\$ 2,076,372</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	-	\$ 1,118		\$ 60,602
Other accrued liabilities	-	-		2,028
Intergovernmental payables	-	-		20
Due to other funds	-	33,658		36,627
Unearned revenue	-	-		363
Total Liabilities	<u>-</u>	<u>34,776</u>		<u>99,640</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year's property taxes	93,326	-		1,284,339
Total Deferred Inflows of Resources	<u>93,326</u>	<u>-</u>		<u>1,284,339</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	19,046	-		19,046
Restricted	-	-		251,253
Committed	-	-		5,617
Assigned	46,622	-		444,252
Unassigned	-	(27,775)		(27,775)
Total Fund Balances (Deficit)	<u>65,668</u>	<u>(27,775)</u>		<u>692,393</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 158,994</u>	<u>\$ 7,001</u>		<u>\$ 2,076,372</u>

VILLAGE OF WESTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Special Revenue Funds			
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2	
<b>REVENUES</b>				
Taxes	\$ -	\$ 398,660	\$ -	
Intergovernmental	78,575	11,492	-	
Licenses and permits	-	-	-	
Charges for services	795,007	-	247,133	
Contributions and donations	-	-	-	
Investment earnings and miscellaneous	-	710	4,598	
Total Revenues	<u>873,582</u>	<u>410,862</u>	<u>251,731</u>	
<b>EXPENDITURES</b>				
Current				
Public works	767,718	-	-	
Parks, recreation, and education	-	-	-	
Community development	-	272,667	2,163	
Capital improvements	-	-	-	
Debt service	-	-	-	
Interest and fiscal charges	-	-	1,038	
Total Expenditures	<u>767,718</u>	<u>272,667</u>	<u>3,201</u>	
Excess (deficiency) of revenues over expenditures	105,864	138,195	248,530	
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	-	-	-	
Capital leases	-	-	-	
Transfers in	26,327	1,397	-	
Transfers out	(154,620)	(40,825)	(248,530)	
Sale of village properties	-	-	-	
Total Other Financing Sources (Uses)	<u>(128,293)</u>	<u>(39,428)</u>	<u>(248,530)</u>	
Net Change in Fund Balances	(22,429)	98,767	-	
FUND BALANCES (DEFICIT) - Beginning	24,195	70,346	251,253	
FUND BALANCES (DEFICIT) - Ending	<u>\$ 1,766</u>	<u>\$ 169,113</u>	<u>\$ 251,253</u>	

	Special Revenue Funds			
	Aquatic Center	Room Taxes	Civic and Social	Park and Recreation
\$	40,000	\$ 409,072	\$ -	\$ -
-	-	-	-	-
125,611	-	6,065	-	13,244
-	-	5,117	-	789
75	-	3,248	-	163
<u>165,686</u>	<u>409,072</u>	<u>14,420</u>	<u>14,196</u>	
249,177	20,000	-	-	3,785
-	88,069	42,827	-	-
-	-	-	-	-
249,177	108,069	42,827	-	3,785
(83,491)	301,003	(28,407)	-	10,411
-	-	-	-	-
96,961	-	28,428	-	-
-	(122,722)	-	-	(56,961)
<u>96,961</u>	<u>(122,722)</u>	<u>28,428</u>	<u>(56,961)</u>	
13,470	178,281	21	-	(46,550)
24,315	-	5,596	-	57,235
<u>\$ 37,785</u>	<u>\$ 178,281</u>	<u>\$ 5,617</u>	<u>\$ 10,685</u>	

VILLAGE OF WESTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2017

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Capital Improvements	TIF District #1	
<b>REVENUES</b>			
Taxes	\$ 93,326	\$ -	\$ 941,058
Intergovernmental	-	-	90,067
Licenses and permits	-	-	6,055
Charges for services	106,685	-	1,292,797
Contributions and donations	-	-	789
Investment earnings and miscellaneous	-	-	8,794
Total Revenues	200,011	-	2,339,560
<b>EXPENDITURES</b>			
Current			
Public works	-	-	767,718
Parks, recreation, and education	-	-	272,962
Community development	-	-	405,726
Capital improvements	836,662	272,479	1,109,141
Debt service	-	-	-
Interest and fiscal charges	-	-	1,038
Total Expenditures	836,662	272,479	2,556,585
Excess (deficiency) of revenues over expenditures	(636,651)	(272,479)	(217,025)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds/notes issued	-	250,149	250,149
Capital leases	508,868	-	508,868
Transfers in	136,752	-	289,865
Transfers out	(379,346)	-	(1,003,004)
Sale of village properties	46,850	66,335	113,185
Total Other Financing Sources (Uses)	313,124	316,484	159,063
Net Change in Fund Balances	(323,527)	44,005	(57,962)
FUND BALANCES (DEFICIT) - Beginning	389,195	(71,780)	750,355
FUND BALANCES (DEFICIT) - Ending	\$ 65,668	\$ (27,775)	\$ 692,393

VILLAGE OF WESTON

REFUSE / RECYCLING - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 78,800	\$ 78,800	\$ 78,575	(225)
Charges for services	796,870	796,870	795,007	(1,863)
Investment earnings and miscellaneous	4,000	4,000	-	(4,000)
Total Revenues	879,670	879,670	873,582	(6,088)
<b>EXPENDITURES</b>				
Current				
Public works	808,979	808,979	767,718	41,261
Excess of revenues over expenditures	70,691	70,691	105,864	35,173
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,325	28,325	26,327	(1,998)
Transfers out	(98,516)	(98,516)	(154,620)	(56,104)
Total Other Financing Sources (Uses)	(70,191)	(70,191)	(128,293)	(58,102)
Net Change in Fund Balance	500	500	(22,429)	(22,929)
FUND BALANCE - Beginning	24,195	24,195	24,195	-
FUND BALANCE - Ending	\$ 24,695	\$ 24,695	\$ 1,766	(22,929)



**VILLAGE OF WESTON**

TIF DISTRICT #2 - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 398,660	\$ 398,660	\$ 398,660	\$ -
Intergovernmental	11,492	11,492	11,492	-
Investment earnings and miscellaneous	350	350	710	360
Total Revenues	410,502	410,502	410,862	360
<b>EXPENDITURES</b>				
Current				
Community development	283,698	283,698	272,667	11,031
Excess of revenues over expenditures	126,804	126,804	138,195	11,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,816	2,816	1,397	(1,419)
Transfers out	(40,825)	(40,825)	(40,825)	-
Total Other Financing Sources (Uses)	(38,009)	(38,009)	(39,428)	(1,419)
Net Change in Fund Balance	88,795	88,795	98,767	9,972
FUND BALANCE - Beginning	70,346	70,346	70,346	-
FUND BALANCE - Ending	\$ 159,141	\$ 159,141	\$ 169,113	\$ 9,972

**VILLAGE OF WESTON**

COMMUNITY DEVELOPMENT AUTHORITY-TIF DISTRICT #2 - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 247,133	\$ 247,133	\$ 247,133	\$ -
Investment earnings and miscellaneous	6,500	6,500	4,598	(1,902)
Total Revenues	253,633	253,633	251,731	(1,902)
<b>EXPENDITURES</b>				
Current				
Community development	2,758	2,758	2,163	595
Debt service	926	926	1,038	(112)
Interest and fiscal charges	3,684	3,684	3,201	483
Total Expenditures	249,949	249,949	248,530	(1,419)
Excess of revenues over expenditures	(249,949)	(249,949)	(248,530)	1,419
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
Net Change in Fund Balance	251,253	251,253	251,253	-
FUND BALANCE - Beginning	251,253	251,253	251,253	-
FUND BALANCE - Ending	\$ 251,253	\$ 251,253	\$ 251,253	\$ -

VILLAGE OF WESTON

AQUATIC CENTER - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Charges for services	129,655	129,655	125,611	(4,044)
Investment earnings and miscellaneous	60	60	75	15
Total Revenues	<u>169,715</u>	<u>169,715</u>	<u>165,686</u>	<u>(4,029)</u>
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	279,460	279,460	249,177	30,283
Excess (deficiency) of revenues over expenditures	<u>(109,745)</u>	<u>(109,745)</u>	<u>(83,491)</u>	<u>26,254</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	99,106	99,106	96,961	(2,145)
Net Change in Fund Balance	<u>(10,639)</u>	<u>(10,639)</u>	<u>13,470</u>	<u>24,109</u>
FUND BALANCE - Beginning	24,315	24,315	24,315	-
FUND BALANCE - Ending	<u>\$ 13,676</u>	<u>\$ 13,676</u>	<u>\$ 37,785</u>	<u>\$ 24,109</u>

VILLAGE OF WESTON

ROOM TAXES - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 404,926	\$ 404,926	\$ 409,072	\$ 4,146
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	15,000	15,000	20,000	(5,000)
Community development	289,048	289,048	88,069	200,979
Total Expenditures	<u>304,048</u>	<u>304,048</u>	<u>108,069</u>	<u>195,979</u>
Excess of revenues over expenditures	<u>100,878</u>	<u>100,878</u>	<u>301,003</u>	<u>200,125</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(100,878)</u>	<u>(100,878)</u>	<u>(122,722)</u>	<u>(21,844)</u>
Net Change in Fund Balance	-	-	178,281	178,281
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,281</u>	<u>\$ 178,281</u>

VILLAGE OF WESTON

CIVIC AND SOCIAL - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ 5,701	\$ 6,055	\$ 354
Charges for services	-	6,000	5,117	(883)
Investment earnings and miscellaneous	-	50	3,248	3,198
Total Revenues	-	11,751	14,420	2,669
<b>EXPENDITURES</b>				
Current				
Community Development	-	45,501	42,827	2,674
Deficiency of revenues over expenditures	-	(33,750)	(28,407)	5,343
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	14,244	28,428	14,184
Net Change in Fund Balance	-	(19,506)	21	19,527
FUND BALANCE - Beginning	5,596	5,596	5,596	-
FUND BALANCE (DEFICIT) - Ending	\$ 5,596	\$ (13,910)	\$ 5,617	\$ 19,527

VILLAGE OF WESTON

PARK AND RECREATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 500	\$ 500	\$ 13,244	\$ 12,744
Contributions and donations	150	150	789	639
Investment earnings and miscellaneous	200	200	163	(37)
Total Revenues	850	850	14,196	13,346
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	900	900	3,785	(2,885)
Total Expenditures	900	900	3,785	(2,885)
Excess (deficiency) of revenues over expenditures	(50)	(50)	10,411	10,461
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out	-	-	(56,961)	(56,961)
Net Change in Fund Balance	(50)	(50)	(46,550)	(46,500)
FUND BALANCE - Beginning	57,235	57,235	57,235	-
FUND BALANCE - Ending	\$ 57,185	\$ 57,185	\$ 10,685	\$ (46,500)

VILLAGE OF WESTON

TIF DISTRICT #1 - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings and miscellaneous	\$ -	\$ 1,685	\$ -	\$ (1,685)
<b>EXPENDITURES</b>				
Capital improvements		251,835	272,479	(20,644)
Deficiency of revenues over expenditures	-	(250,150)	(272,479)	(22,329)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	-	250,150	250,149	(1)
Sale of village properties	-	-	66,335	66,335
Total Other Financing Sources (Uses)	-	250,150	316,484	66,334
Net Change in Fund Balance	-	-	44,005	44,005
FUND BALANCE (DEFICIT) - Beginning	(71,780)	(71,780)	(71,780)	-
FUND BALANCE (DEFICIT) - Ending	\$ (71,780)	\$ (71,780)	\$ (27,775)	\$ 44,005

VILLAGE OF WESTON

CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 93,326	\$ 93,326	\$ 93,326	\$ -
Intergovernmental	25,000	25,000	-	(25,000)
Charges for services	116,700	116,700	106,685	(10,015)
Total Revenues	235,026	235,026	200,011	(35,015)
<b>EXPENDITURES</b>				
Capital improvements	287,523	287,523	836,662	(549,139)
Deficiency of revenues over expenditures	(52,497)	(52,497)	(636,651)	(584,154)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	-	-	508,868	508,868
Transfers in	85,878	85,878	136,752	50,874
Transfers out	(402,271)	(402,271)	(379,346)	22,925
Sale of village properties	46,500	46,500	46,850	350
Total Other Financing Sources (Uses)	(269,893)	(269,893)	313,124	583,017
Net Change in Fund Balance	(322,390)	(322,390)	(323,527)	(1,137)
FUND BALANCE - Beginning	389,195	389,195	389,195	-
FUND BALANCE - Ending	\$ 66,805	\$ 66,805	\$ 65,668	\$ (1,137)

**VILLAGE OF WESTON**  
 PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS  
 Beginning of Project to December 31, 2017

**TIF DISTRICT #1 FUND**

<b>TOTAL AUTHORIZATIONS</b>	<u>\$ 55,172,330</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental revenues	\$ 2,595,000
Charges for services	252,800
Fines and forfeitures	25,000
Investment earnings and miscellaneous	1,068,265
Bonds/notes issued	17,237,124
Transfers in	29,929,464
Sale of village properties	4,077,967
Net decrease in the fair value of investments	(13,290)
Total Revenues and Other Financing Sources	<u>\$ 55,172,330</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 54,389,446
Bond issuance costs	2,000
Discounts on bonds/notes issued	942
Transfers out	807,717
Total Expenditures and Other Financing Uses	<u>\$ 55,200,105</u>
FUND BALANCE - December 31, 2017	<u>\$ (27,775)</u>

**TIF DISTRICT #2 FUND**

<b>TOTAL AUTHORIZATIONS</b>	<u>\$ 3,132,406</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Investment earnings and miscellaneous	\$ 55,078
Bonds/notes issued	850,800
Transfers in	2,226,528
Total Revenues and Other Financing Sources	<u>\$ 3,132,406</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 3,131,935
Discounts on bonds/notes issued	471
Total Expenditures and Other Financing Uses	<u>\$ 3,132,406</u>
FUND BALANCE - December 31, 2017	<u>\$ -</u>

**OTHER INFORMATION**

## SUPPLEMENTARY INFORMATION

### ENTERPRISE FUNDS

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

**WATER UTILITY**

To account for the provision of water supply services to the residents, business entities, and public authorities of the Village and the adjacent communities of the City of Schofield and the Village of Rothschild, where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund.

**SEWER UTILITY**

To account for the provision of wastewater treatment and disposal services to the residents, business entities, and public authorities of the Village and the adjacent communities of the City of Schofield and the Village of Rothschild, where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund, including the Village's share of the Rib Mountain Metropolitan Sewerage District plant operating costs.

**STORMWATER UTILITY**

To account for the management of stormwater and other surface water discharges to the residents, business entities, and public authorities of the Village of Weston. The utility will also provide for the maintenance of existing stormwater appurtenances and recommend drainage modifications where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund.

## VILLAGE OF WESTON

### ENTERPRISE FUNDS

#### SCHEDULE OF RATES OF RETURN - REGULATORY BASIS

For the Year Ended December 31, 2017

	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>UTILITY PLANT IN SERVICE</b>				
Beginning of year	\$ 29,393,288	\$ 31,106,574	\$ 17,416,056	\$ 77,915,918
End of year	30,517,347	31,965,639	17,635,161	80,118,147
Average	29,955,318	31,536,107	17,525,609	79,017,034
<b>ACCUMULATED DEPRECIATION</b>				
Beginning of year	8,675,167	11,970,323	5,573,122	26,218,612
End of year	9,126,596	12,642,144	5,908,371	27,677,111
Average	8,900,882	12,306,234	5,740,746	26,947,862
<b>MATERIALS AND SUPPLIES</b>				
Beginning of year	79,907	-	-	79,907
End of year	84,502	-	-	84,502
Average	82,205	-	-	82,205
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
Beginning of year	7,619,828	11,260,944	-	18,880,772
End of year	7,619,828	11,260,944	-	18,880,772
Average	7,619,828	11,260,944	-	18,880,772
<b>AVERAGE NET RATE BASE</b>	<b>\$ 13,516,813</b>	<b>\$ 7,968,929</b>	<b>\$ 11,784,863</b>	<b>\$ 33,270,605</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 483,967</b>	<b>\$ (43,012)</b>	<b>\$ 164,711</b>	<b>\$ 605,666</b>
<b>RATE OF RETURN - 2017</b>	<b>3.58%</b>	<b>-0.54%</b>	<b>1.40%</b>	<b>1.82%</b>
<b>RATE OF RETURN - 2016</b>	<b>4.14%</b>	<b>-0.24%</b>	<b>1.29%</b>	<b>2.05%</b>

This schedule is computed based on Public Service Commission (PSC) of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB Statement No. 33, as well as PSC order 05-US-105, effective January 1, 2003.

# FINANCIAL REPORT

OF THE

## VILLAGE OF WESTON, WISCONSIN



FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared By:

WESTON FINANCE DEPARTMENT

**VILLAGE OF WESTON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2016

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VILLAGE OF WESTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2016

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**VILLAGE OF WESTON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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## INDEPENDENT AUDITORS' REPORT

Members of the Village Board  
Village of Weston, Wisconsin  
Weston, Wisconsin

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Weston, 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 management's discussion and analysis, budgetary comparison information, the schedule of employer contributions and the schedule of employer proportionate share of net pension asset (liability) 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.

#### *Other Information*

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

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

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Members of the Village Board  
Village of Weston, Wisconsin

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2017 on our consideration of Village of Weston, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village of Weston, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Stevens Point, Wisconsin  
November 3, 2017



## Village of Weston Management's Discussion and Analysis

As management of the Village of Weston, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Weston for the fiscal year ended December 31, 2016. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan (approved budget).

We encourage readers to consider the information presented here and the Village's financial statements, which begin on page 1 of this report. A comparative analysis has been presented for 2015 and 2016.

### THE FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Weston exceeded its liabilities and deferred inflows of resources as of the fiscal year ended December 31, 2016 by \$77,506,156 (reported as "net position"). Of this amount, \$12,081,126 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Net position from Governmental Activities was \$17,599,523, while the Business-Type Activities net position was \$59,907,633.
- The Village's total net position increased by \$1,307,668 during fiscal year 2016, resulting from governmental and business-type activities. There was an increase of \$1,237,534 net position from Governmental Activities, and an increase of \$70,134 in net position from Business-Type Activities.
- At the close of the current fiscal year, the Village of Weston's governmental funds reported combined fund balances of \$3,798,948, which was a decrease of \$1,245,962 in comparison with the prior year. The unassigned fund balance (deficit) was (\$2,019,938). At the end of the year, management had designated \$672,138 of the total fund balance as committed or assigned for specific purposes and \$5,146,748 as restricted or nonspendable due to allocations of prepaid expenditures, advances, or constrained by external factors, such as grants or regulations defining specific use.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$1,916,060 or approximately 28.37% of the Village's 2016 total general fund expenditures of \$6,754,971. The unassigned fund balance in the Village's General Fund was \$1,814,804, which was a decrease of \$549,841 from the previous year. The decrease is because the amount due from SAFER is not expected to be received in the next year and is not available to meet the needs of the Village, therefore it was reclassified as nonspendable.
- The Village entered into three new capital leases in 2016 to acquire public works equipment. The equipment is valued at \$392,952. Total lease payments are \$417,744, which includes \$20,724 representing interest. These lease payments will be paid back in 2016-2021.

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## Village of Weston Management's Discussion and Analysis

### THE FINANCIAL HIGHLIGHTS (cont.)

- The Village's share of the assessed tax rate as of December 2016 (for the 2017 budget year) was set at \$5.99, which was a tax rate increase of \$0.23 from the previous year. The Village's combined assessed tax rate was set at \$21.06 in December 2016, which was a tax rate increase of \$0.49 from the previous year, due to the slight increase in the assessed tax rates of the other taxing jurisdictions (D.C. Everest School District, Marathon County, and North Central Technical College). The combined tax rate had been \$20.57 in 2015, \$20.34 in 2014, and \$20.34 in 2013.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Village of Weston's basic financial statements. The Village's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the fiscal year ended December 31, 2016. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). In the statement of net position and statement of activities, we divide the Village into these two categories:

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## Village of Weston Management's Discussion and Analysis

### GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

**Governmental Activities:** Most of the Village's basic services are reported here. This includes Public Safety (police, fire, ambulance, emergency government, building inspections), Public Works (engineering, street lighting, garbage collection, street repair, snow and ice removal, traffic control), Parks, Recreation, and Education (parks, recreation programs, aquatic center, special events), Community Development (economic development, zoning, planning), and General Government (village board, administration, municipal court, risk management/insurance). These services are funded by various revenue sources, including property taxes, intergovernmental aid, licenses and permits, charges for services, and investment earnings.

**Business-Type Activities:** For these activities, the Village charges a fee to cover all or most of the costs of certain services it provides. The Village's Water, Sewer, and Stormwater Utilities are reported here.

The government-wide financial statements can be found on pages 1-3 of this report.

### 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 Weston, 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 can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

#### Governmental Funds

*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 assessing 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, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Weston maintains fourteen individual governmental funds. 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, the Debt Service

## Village of Weston Management's Discussion and Analysis

### Governmental Funds (cont.)

Fund, the Special Revenue Fund-Community Development Authority/TIF District #1, the Special Revenue Fund-TIF District #1, and the Capital Project Fund – Capital Improvements, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Village adopts an annual appropriated budget for its General, Special Revenue, Capital Projects, and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the Village's adopted and final revised budget and can be found on pages 63-67 of this report. Budgetary comparisons for the Special Revenue, Capital Projects, and Debt Service Funds can be found on pages 68-69, 72-73, and 78-86 of this report.

Following is a listing and description of the governmental funds reported by the Village of Weston in 2016:

#### General Fund

The General Fund (major fund) is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

#### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. In 2016, the Village of Weston used special revenue funds to account for:

- Refuse/Recycling
- Transportation Utility
- TIF District #1 (major fund)
- TIF District #2
- Aquatic Center
- Room Taxes
- Civic and Social
- Park and Recreation
- Community Development Authority (CDA) – TIF District #1 (major fund)
- Community Development Authority (CDA) – TIF District #2

## Village of Weston Management's Discussion and Analysis

### Governmental Funds (cont.)

#### Debt Service Fund (major fund)

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs (other than those being financed by proprietary funds).

#### Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds). In 2016, the Village of Weston used capital projects funds to account for:

Capital Improvements (major fund)  
TIF District #1

The basic governmental fund financial statements can be found on pages 4-8 of this report.

### Proprietary Funds

The Village of Weston maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, and stormwater utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for the management of its retained risks. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility, the Sewer Utility, and the Stormwater Utility enterprise funds and the one internal service fund. All three enterprise funds are considered major funds.

#### Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control and

## Village of Weston Management's Discussion and Analysis

### Proprietary Funds (cont.)

#### Enterprise Funds (cont.)

accountability or other purposes. In 2016, the Village of Weston used enterprise funds to account for:

Water Utility (major fund)  
Sewer Utility (major fund)  
Stormwater Utility (major fund)

#### Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governmental units on a cost-reimbursement basis. In 2016, the Village of Weston used internal service funds to account for:

Fringe Benefits/Insurances

The basic proprietary fund financial statements can be found on pages 9-13 of this report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

#### Agency Funds

Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. In 2016, the Village of Weston did not have any agency funds.

### NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-60 of this report.

### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Combining and individual fund statements and schedules can be found on pages 60-87 of this report.



## Village of Weston Management's Discussion and Analysis

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

An analysis of the Village's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the Village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Weston, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$77,506,156 (net position) as of December 31, 2016. This includes total assets of \$144,318,179, deferred outflows of resources of \$1,372,527, total liabilities of \$56,346,752, and deferred inflows of resources of \$11,837,798. It is useful to examine the specifics of the Village's total net position.

By far, the largest portion of the Village's net position (77.6%) reflects its investment in capital assets (e.g. land, buildings, building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress), less any related outstanding debt that was used to acquire those assets. This amount includes the Village's investment in roads, sewers, and bridges. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of any related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (6.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$12,081,126 (15.6%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Non-current liabilities, most of which were incurred to finance capital assets, account for approximately 70.6% of all Village liabilities. The following table provides an analysis of the Village's net position outlook:

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## Village of Weston Management's Discussion and Analysis

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS (cont.)

#### VILLAGE OF WESTON NET POSITION December 31, 2016 and 2015

	Governmental Activities		Business-type Activities		Total
	2016	2015	2016	2015	
Current and other assets	\$ 33,124,899	\$ 34,482,136	\$ 13,756,086	\$ 13,723,104	\$ 46,880,985
Capital assets	45,248,947	45,989,918	52,183,247	53,177,039	97,437,194
Total assets	78,373,846	80,472,054	65,944,333	66,900,143	144,318,179
Total deferred outflows of resources	1,103,926	486,824	268,601	198,317	1,372,527
Non-current liabilities	(34,620,569)	(38,265,989)	(5,168,040)	(6,227,806)	(39,788,609)
Current and other liabilities	(15,487,365)	(15,378,868)	(1,070,778)	(1,033,155)	(16,558,143)
Total liabilities	(50,107,934)	(53,644,857)	(6,238,818)	(7,260,961)	(56,346,752)
Total deferred inflows of resources	(11,771,315)	(10,955,032)	(66,463)	-	(11,837,798)
Net position:					
Net investment in capital assets	19,922,844	17,984,821	47,976,920	47,859,739	60,170,743
Restricted	4,459,966	4,837,863	794,321	827,293	5,254,287
Unrestricted (deficit)	(6,784,287)	(6,461,695)	11,136,392	11,150,467	12,081,126
Total net position	\$ 17,598,523	\$ 16,360,989	\$ 59,907,633	\$ 59,837,499	\$ 77,506,156

### CHANGES IN NET POSITION

The 2016 overall net position of the Village increased by \$1,307,668 from 2015.

Net position of the Village's governmental activities totaled \$17,598,523 as of December 31, 2016. Governmental activities for the year increased net position by \$1,237,534. The Village's unrestricted net position for governmental activities, which is a part of net position that can be used to finance day-to-day activities, was a deficit balance of \$6,784,287 due to the TIF District debt accumulated to date in the governmental activities, but the TIF water, sewer, and stormwater capital assets are reported as business-type activities instead. Restricted net position for governmental activities included \$4,459,966 for debt service and pensions.

The net position of business-type activities totaled \$59,907,633, an increase of \$70,134. The Village can use the unrestricted net position of \$11,136,392 to finance the continuing operations of the water, sewer, and stormwater utilities.

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## Village of Weston Management's Discussion and Analysis

### GOVERNMENTAL ACTIVITIES

Governmental activities for 2016 increased the Village's net position by \$1,237,534. Total revenues, excluding transfers, had increased by \$1,065,889 for 2016. Property taxes in 2016 accounted for 65.5% and charges for services were 9.9% of total governmental activities revenue, excluding transfers. Total expenses increased by \$1,939,831 for 2016. Expenses for public safety and public works were 70.1% of all governmental activities. Governmental expenses included \$3,985,274 in depreciation expense allocated as follows: \$3,722,553 to public works, \$34,455 to general government, \$73,752 to public safety, and \$154,514 to parks and recreation. Depreciation expense represents 26.7% of the total expenses for governmental activities.

Some of the significant changes in revenues and expenses were as follows:

#### Revenues:

- Property tax revenue had an overall increase in 2016 of \$524,751 (5.4%). The TIF district tax levies had increased by \$317,959 (6.7%) in 2016 due to growth and increased valuation of properties in TIFs. There was no change in the debt service tax, aquatic center or the capital improvements fund levy for 2016. Therefore, the general purpose tax levy of the Village increased by \$206,792(6.4%) in 2016.
- Revenues from charges for services totaled \$1,537,470, which was an increase of \$144,729 (10.3%) from 2015. The building and electrical permits increased by \$95,989 (185.7%) in 2016. The village also collected \$24,000 more in newspaper ads to help offset the cost of the Village newsletter in 2016.
- Operating grants and contributions totaled \$246,655, which was a decrease of \$13,777 (5.2%) from 2016.
- Revenues received from capital grants and contributions totaled \$1,469,088, which was an increase of \$521,884(55.1%) from 2015. In 2016, a developer did a large project and gave the assets to the Village.
- Investment earnings totaled \$188,899 in 2016, which was a decrease of \$104,455 (-35.6%) from 2015. The decrease is because the Village had less money to invest in 2016 and market adjustments.

## Village of Weston Management's Discussion and Analysis

### CHANGES IN NET POSITION (cont.)

The following table provides a more detailed analysis of the Village's change in net position:

	VILLAGE OF WESTON CONDENSED STATEMENT OF ACTIVITIES For the Years Ended December 31, 2016 and 2015			
	2016	2015	2016	2015
			Business-type Activities	Total
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,537,470	\$ 1,392,741	\$ 4,745,986	\$ 4,759,202
Operating grants and contributions	246,655	260,432	2,204	2,675
Capital grants and contributions	1,469,088	947,204	88,068	56,343
General revenues:				
Property taxes	10,099,879	9,575,128	-	10,099,879
Other taxes	536,729	455,048	-	536,729
Intergovernmental revenues not restricted to specific programs	1,247,644	1,220,591	-	1,247,644
Public gifts and/or grants not restricted to specific programs	333	219	-	333
Investment earnings	188,899	293,354	55,354	330,495
Other general revenues	81,489	197,890	-	1,013
Total Revenues	15,408,196	14,342,307	4,891,612	5,149,728
				20,299,808
				19,492,035
<b>Expenses:</b>				
General government	1,277,477	999,244	-	1,277,477
Public safety	3,867,923	2,346,437	-	3,867,923
Public works	6,399,788	6,349,204	-	6,399,788
Health and human services	13,968	14,203	-	13,968
Parks, recreation, and education	761,510	631,040	-	761,510
Community development	702,723	549,239	-	702,723
Interest and fiscal charges	1,616,256	1,810,447	-	1,616,256
Water utility	-	-	1,635,488	1,635,488
Sewer utility	-	-	2,113,671	2,113,671
Stormwater utility	-	-	603,336	603,336
Total Expenses	14,639,645	12,699,814	4,352,495	4,262,680
				18,992,140
				16,962,494
Increase (decrease) in net position before transfers	768,551	1,642,493	539,117	887,048
Transfers	469,953	474,391	(468,983)	(474,391)
Change in net position	1,237,534	2,116,884	70,134	412,657
Net position - January 1	16,360,969	14,244,105	59,837,499	59,424,842
Net position - December 31	\$ 17,598,503	\$ 16,360,989	\$ 59,907,633	\$ 59,837,499
				\$ 77,506,156
				\$ 77,215,378

## Village of Weston Management's Discussion and Analysis

### GOVERNMENTAL ACTIVITIES (cont.)

#### Expenses:

- General government expenses increased by \$278,233 (6.95%). With change from a net pension asset to a net pension liability the adjustment recorded was an increase in expenditures of \$77,476, that was recorded in 2016. All other departments showed a strong effort to hold expenses near prior year's numbers.
- Public safety expenses totaled \$3,867,923 in 2016, which was an increase of \$1,521,486, (64.8%). This increase was the result of the additional money given to SAFER for their purchase of capital equipment (\$611,830) in addition to the increase in percentage share that the Village continues to experience in both the Everest Metro Police Department (EMPD) and the South Area Fire and Emergency Rescue District (SAFER). The Villages share of EMPD increased from \$2,243,375 to \$2,309,016 (\$65,641) and SAFER increased \$522,824 to \$575,523 (\$52,699).
- Public works expenses totaled \$6,399,788 in 2016, which was an increase of \$50,584. The Village maintained the same amount of effort in 2016 that it did in 2015.
- Parks, recreation, and education expenses increased by \$130,470 (20.7%). Park administration expenses increased by \$42,49,701 in 2016, due to an additional full-time park employee. The Weston Aquatic Center had an increase of \$48,702 in expenses for 2016, as compared to 2015 because of additional maintenance needed.
- Community development expenses increased by \$153,484 (28.0%) in 2016. The Village continues to put a lot of money and effort in developing TIF #1.
- Interest and fiscal charges expenses which totaled \$1,616,256 for 2016 decreased by \$194,191 (-10.7%). This decrease was because the Village continues to pay down its old debt.

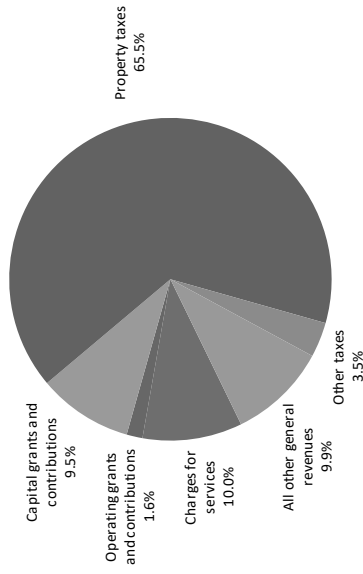
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## Village of Weston Management's Discussion and Analysis

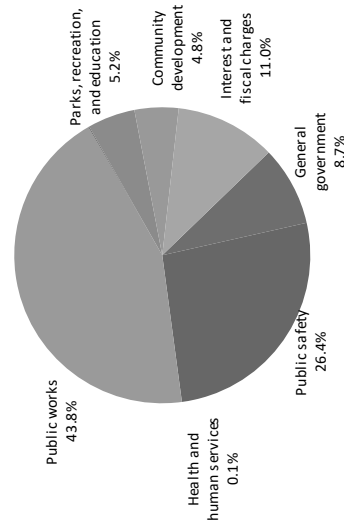
### GOVERNMENTAL ACTIVITIES (cont.)

The following graphs provide a breakdown of all governmental activities revenues and expenses:

#### REVENUES - Governmental Activities



#### EXPENSES - Governmental Activities



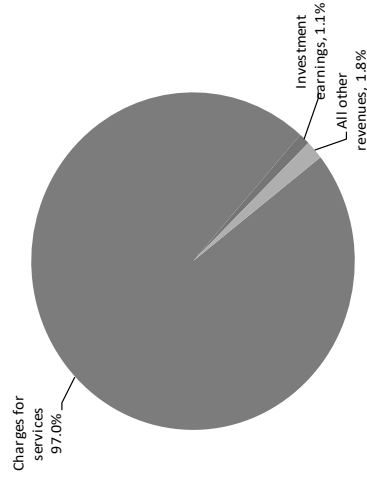
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## Village of Weston Management's Discussion and Analysis

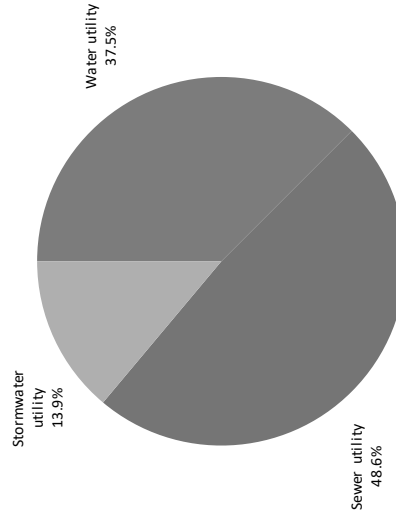
### BUSINESS-TYPE ACTIVITIES (cont.)

The following graphs provide a breakdown of all business-type activities revenues and expenses:

#### REVENUES - Business-type Activities



#### EXPENSES - Business-type Activities



## Village of Weston Management's Discussion and Analysis

### BUSINESS-TYPE ACTIVITIES

Business-type activities, which include the operations of the water, sewer, and stormwater utilities, provided an increase to the Village's net assets of \$70,134. Charges for services were over expenses by \$393,491. Capital grants and contributions of \$88,068 and operating grants and contributions of \$2,204 were other 2016 funding sources for the utility funds. Investment earnings, other general revenues, and transfers resulted in a decrease of revenues of \$413,629

Charges for services decreased by \$13,216 (-.28%) in 2016. Capital grants and contributions increased by \$31,254 because of developer contributions. Some of the significant changes in revenues were as follows:

- Water Utility operating revenues totaled \$2,124,178 for 2016, which was a decrease of \$23,514 (1.1%) from 2015. Interest earnings on investments decreased by \$96,634 (-79.9%) from 2015, which reflected the investments of the water utility having a lower fair value than the previous year. The Water Utility is going to be completing a water rate case with the Public Service Commission in 2017.
- Sewer Utility operating revenues totaled \$1,988,822 for 2016, which was a decrease of \$16,448 (-.82%) from 2015. Interest earnings decreased by \$163,602 (-85.5%) from 2015, which reflected the investments of the sewer utility having a lower fair value than the previous year. The Utility is looking at implementing a rate increase in 2018.
- Stormwater Utility operating revenues totaled \$632,986 for 2016, which was a slight increase of \$26,746 (4.4%) from 2015. Interest earnings on investments decreased by \$14,905 (-81.7%) due to the decrease in fair value of those investments compared to the previous year. In 2016, the Stormwater Utility paid back \$11,055 to the Sewer Utility. The total amount owed to the Sewer Utility is \$379,586. In 2016, the Stormwater Utility increased rates from \$12.00/ERU to \$12.50/ERU.

Expenses, excluding depreciation, totaled \$2,625,159, which was an increase of \$314,574 (13.6%) from 2015. Depreciation expense increased by \$18,055 (1.1%). Some of the significant changes in expenses were as follows:

- Water Utility operations expense, excluding depreciation, decreased by \$63,900 (6.1%). Water treatment expenses decreased \$33,864 in 2016, in 2015 more maintenance was done on water treatment.
- Sewer Utility operating expenses, excluding depreciation, increased by \$146,081 (12.5%). The main reason for the change in expenses was an increase of \$102,409 (15.0%) in payments to the Rib Mountain Metro Sewerage District for operations and maintenance expenses.
- Stormwater Utility operating expenses, excluding depreciation, increased by \$28,637 (33.7%). The increase was because more drainage work was done in 2016.

## Village of Weston Management's Discussion and Analysis

### INDIVIDUAL FUND FINANCIAL ANALYSIS

#### Governmental Funds

The Village of Weston ended 2016 with a fund balance of \$3,798,948 in its governmental funds, compared to \$5,044,910 as of December 31, 2015. This is a decrease of \$1,245,962. Of the 2016 fund balance (deficit), \$686,782 was nonspendable, \$4,459,966 was restricted, \$5,596 was committed, \$666,542 was assigned, and (\$2,019,938) was unassigned. The nonspendable balance includes \$525,182 due from SAFER district, the restricted balance includes \$4,459,966 for debt service. The committed balance is \$5,596 for encumbrances.

#### General Fund

The General Fund is the primary operating fund of the Village and supports the majority of the day-to-day services provided by the Village. The Village's General Fund realized a fund balance decrease of \$55,342 from 2016 operations. Fund balance at year-end totaled \$2,602,842, of which \$686,782 is nonspendable, \$101,256 assigned, and \$1,814,804 is unassigned. Municipal credit analyst, Moody's Investors Service, considers the fund balance in the General Fund an important measure of a municipality's financial condition.

#### Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The net decrease in fund balance during the year was \$190,925, which resulted in a total fund balance deficit at year-end of (\$62,584).

#### Special Revenue Fund – TIF District #1

This fund accounts for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for TIF District #1. There was a net decrease in fund balance during the year of \$727,344, which resulted in a deficit fund balance at year-end of (\$3,700,378). The decrease in fund balance was mainly due to the increasing debt service payments outpacing the increasing tax increment revenue. The Village plans to refinance TIF District #1 debt so the increment better matches the debt payment.

## Village of Weston Management's Discussion and Analysis

### INDIVIDUAL FUND FINANCIAL ANALYSIS (cont.)

#### Governmental Funds (cont.)

##### Special Revenue Fund – Community Development Authority (CDA) - TIF District #1

This fund accounts for the receipt of CDA Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. These proceeds are then transferred out to the TIF District #1 – Capital Projects Fund. Corresponding program expenditures and bond issuance costs are also recorded in this fund. There was a minimal change in fund balance this year; the fund balance at year-end was \$4,208,713.

#### Proprietary Funds

##### Water Utility Fund

The water utility's operating income, before transfers and other nonoperating revenues and expenses, was \$554,595 in 2016. The overall change to net position was an increase of \$76,142. The water utility's 2016 rate of return was 4.14%.

##### Sewer Utility Fund

The sewer utility realized an operating loss, before transfers and other nonoperating revenues and expenses, of \$19,810. Overall net position decreased by \$60,476. The sewer utility's 2016 rate of return was -2.4%. In 2016 the utility experienced a large increase (unbudgeted) by their service provider Rib Mountain Sewerage District. In 2015 the Sewerage district charged the utility \$665,963, in 2016 the charge was \$768,372, an increase of \$102,409.

##### Stormwater Utility Fund

The Village formed a stormwater utility in 2004 with an equivalent runoff unit ("ERU") rate of \$48 annually, or billed at \$12.00/ERU quarterly. In 2016 this rate was increased to \$12.50/ERU quarterly, an increase of 50 cents (-50) from 2015. The number of units charged per parcel is dependent upon the amount of impervious surface located on each parcel. In 2016, the utility had an operating income, before transfers and other nonoperating revenues and expenses, of \$154,481. The utility had an increase in net position of \$54,468. The stormwater utility's 2016 rate of return was 1.29%.

## Village of Weston Management's Discussion and Analysis

### BUDGETARY ANALYSIS

The Village's 2016 General Fund adopted expenditure budget totaled \$6,835,180. The Village's final General Fund revenue budget totaled \$6,646,455. The 2016 revenue budget anticipated the use of \$188,725 in assigned fund balance.

As previously stated, the Village ended 2016 with a general fund balance decrease of \$55,342 from 2015. In other words, the Village decreased its reserves by \$55,342.

Actual General Fund revenue was over budget by \$84,116, or 1.27% above budget. A positive variance of \$47,100 was realized from investment earnings and miscellaneous. Positive variances also occurred in intergovernmental revenues of \$31,246 and licenses and permits of \$44,316. Other revenue categories experienced small positive or negative variances.

General Fund expenditures finished 2016 with a positive budget variance of \$49,267, or .72% under budget. Some positive variances occurred in general government (\$44,597) and community development (\$15,684). Negative budget variances occurred in public works (\$49,444). Most other Village department expenditure categories experienced small positive and negative budget variances.

General fund statements highlighting budget versus actual variances can be found on pages 63-67 of this report.

## Village of Weston Management's Discussion and Analysis

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2016, the Village of Weston had an investment in capital assets of \$97,437,194 net of accumulated depreciation, of all governmental and business-type activities of the Village. This amounts to a \$1,729,763 decrease (-1.74%) from the end of 2015.

Major capital additions that took place in the Village's governmental activities included the addition of four pieces of public works equipment: a plow truck (\$189,876), a snow blower (\$145,751), an excavator (\$287,125) and a Bobcat (\$61,392). A new mower (\$50,985) was bought for the Parks Department. A large piece of property was bought by the Village for a new sports complex (\$1,827,944).

There were several additions in the Village's business-type activities. The major capital additions (prior to depreciation) for the Water Utility included new meters for \$94,899, replacing valves for \$17,819, and transmission main additions of \$33,157. The Sewer Utility had \$32,893 of additions to its collection system (prior to depreciation) in addition to a televising camera (\$71,586). The Stormwater Utility had \$27,722 of additions to its system. The following table provides a summary of the Village's change in capital assets.

#### VILLAGE OF WESTON CAPITAL ASSETS December 31, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total
	2016	2015	2016	2015	
Landlight-of-ways	\$ 6,796,523	\$ 4,970,579	\$ 623,352	\$ 623,352	\$ 7,421,875
Wells and springs	-	-	597,507	597,507	597,507
Buildings	6,910,471	6,910,471	2,579,855	2,579,855	9,490,326
Improvements	6,198,788	6,101,573	71,110,279	70,903,789	77,310,047
Equipment	4,748,030	4,044,260	3,004,925	2,922,896	7,752,955
Infrastructure	81,229,242	80,690,098	-	-	81,229,242
Construction in progress	65,647	47,031	490,941	143,296	556,588
Total capital assets	105,951,681	102,764,012	78,406,859	77,770,695	184,358,540
Less accumulated depreciation	(60,702,734)	(56,774,094)	(26,218,612)	(24,593,656)	(86,921,346)
Capital assets, net of depreciation	\$ 45,248,947	\$ 45,989,918	\$ 52,188,247	\$ 53,177,039	\$ 97,437,194

More detail regarding the Village's capital assets can be found in Note IV (D) on pages 38-40 of this report.

## Village of Weston Management's Discussion and Analysis

### ECONOMIC FACTORS, 2016 TAX RATES, AND THE 2017 BUDGET

The Village of Weston economy picked up in 2016. There is increasing interest in the Weston Business Technology Park and its two additions (namely the First Addition to the Business Park and the new Business Park South Addition), with some new construction. The Village continues its plans to develop a business campus in Tax Incremental District #1. The Village has immediate plans to refinance the debt in TIF #1 to better match the increment and debt payments.

The Village continues to struggle with levy limits and the ongoing decline in state aid to municipalities. Despite this difficult budgetary environment, the Village's 2017 budget increased its total tax levy (excluding TIF Districts) by 6.19%. The Village's total assessed value increased from \$1,112,448,700 in 2015 to \$1,117,464,246 in 2016, which was an increase of \$5,015,546. No revaluation of Village property occurred in 2016. This translated into a 2016 assessed tax rate of \$5.99 per \$1,000 of assessed valuation (a 3.94% increase from the 2016 assessed tax rate of \$5.76), with a corresponding 2016 equalized tax rate of \$6.13.

The Village adopts operating budgets for its governmental funds (General, Special Revenue, Debt Service), enterprise funds (Water, Sewer, and Stormwater Utilities), and internal service fund (Fringe Benefits). The 2017 fiscal year combined operating budget includes \$33,928,174 in projected revenues and \$35,418,477 in projected expenditures and transfers. The projected overall decrease in fund equity is due to a budgeted deficit of \$1,490,303. Several individual funds have budgeted deficits. This is because of the timing of the increment vs. the debt payments that are due. Fund balances from several governmental funds will be applied towards the budgeted deficits rather than increasing property tax rates or user fees any further to balance the 2017 operating budget.

Funding for the operating budget of the Village is provided from many sources, including property taxes, grants and aids from the State and County, user fees, permits and licenses, fines and forfeitures, and other miscellaneous revenues. Economic factors affecting the 2017 budget included increased revenues from sources affected by the overall economy, such as building permits, offset in part by the decrease in state shared revenues.

In the Village's enterprise funds, the Village's utility customers have not experienced a rate increase for many years. In 2016 the Stormwater utility increased rates from \$12.00/ERU to \$12.50/ERU. The Water and Sewer utilities are looking at 2018 to implement rate increases. The increases are to support ever increasing costs of maintaining the system and moving the utilities toward an automatic meter read system.

### REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the Village of Weston's finances for anyone who would have an interest. Additional information regarding the Village's finances or questions concerning any of the information found in this report should be addressed to the Village of Weston Finance Director, 5500 Schofield Avenue, Weston, WI 54476. Other information related to the Village can be accessed on the Village's website at [www.westonwi.gov](http://www.westonwi.gov).

## Village of Weston Management's Discussion and Analysis

### CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

#### **Outstanding Debt**

The Village's outstanding general obligation debt (backed by the full faith and credit of Village taxpayers) as of December 31, 2016 totaled \$9,878,097. In addition, the Village had revenue debt outstanding (backed by revenues generated from the Weston Water, Sewer, and Stormwater Utilities) of \$5,670,000. The Weston Community Development Authority had revenue debt outstanding (backed by revenues generated from future property tax increments in TIF Districts #1 and #2) of \$22,670,000. Capital lease obligations outstanding were \$958,464. Therefore, the total outstanding debt of the Village at December 31, 2016 totaled \$39,176,561.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. Based upon the Village's 2016 equalized value of \$1,091,885,500, the Village's statutory debt limit totaled \$54,594,275. The Village was at 18.09% of its legal debt limit as of December 31, 2016.

In 2016, the Village entered into three new lease agreements to acquire public works equipment. The total minimum lease payments for all the lease agreements are \$1,018,871, which includes \$60,407 of interest costs.

The following table provides a summary of all outstanding debt and lease obligations:

	VILLAGE OF WESTON OUTSTANDING DEBT			Total
	December 31, 2016 and 2015			
	2016	2015	2016	2015
	Business-type Activities			
	Governmental Activities		Business-type Activities	
General obligation bonds & notes	\$ 9,564,541	\$ 9,563,364	\$ 313,556	\$ 9,878,097
COA lease revenue bonds	22,670,000	26,705,000	-	26,705,000
Water utility revenue bonds	-	-	1,430,000	1,610,000
Sewer utility revenue bonds	-	55,000	2,400,000	2,455,000
Stormwater utility revenue bonds	-	-	2,390,000	2,390,000
Capital leases	958,464	552,799	-	958,464
<b>Total</b>	<b>\$33,193,005</b>	<b>\$36,876,163</b>	<b>\$ 5,983,556</b>	<b>\$ 39,176,561</b>

More detail regarding the Village's outstanding debt can be found in Note IV (F), Note IV (G), and Note IV (H) on pages 43-48 of this report.

## **BASIC FINANCIAL STATEMENTS**



**VILLAGE OF WESTON**  
**STATEMENT OF NET POSITION**  
December 31, 2016

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 7,582,611	\$ 10,190,628	\$ 17,773,239
Receivables (net of allowance for uncollectibles):			
Taxes	16,521,486	25,170	16,546,656
Accounts	-	892,645	892,645
Intergovernmental receivables	882,250	9,667	891,917
Municipal court	278,587	-	278,587
Special assessments	312,780	445,059	757,839
Accrued interest	16,713	64,399	81,112
Other	238,947	4,300	243,247
Total Receivables	<u>18,250,763</u>	<u>1,441,240</u>	<u>19,692,004</u>
Internal balances	463,991	(463,991)	-
Inventories	1,689	79,907	81,596
Prepaid items	155,097	511	155,608
Restricted assets:			
Cash and investments	4,436,787	2,507,791	6,944,578
Investment in joint venture - EMPD	1,098,446	-	1,098,446
Investment in joint venture - SAFER	1,135,515	-	1,135,515
Capital assets:			
Intangible plant - organizational costs	-	319	319
Land and right-of-ways	6,798,523	623,033	7,421,556
Construction in progress	65,647	490,941	556,588
Depreciable capital assets, net	<u>38,384,777</u>	<u>51,073,954</u>	<u>89,458,731</u>
<b>TOTAL ASSETS</b>	<u>78,373,846</u>	<u>65,944,333</u>	<u>144,318,179</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,094,674	181,855	1,276,529
Deferred charge on refunding	9,252	86,746	95,998
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,103,926</u>	<u>268,601</u>	<u>1,372,527</u>
<b>LIABILITIES</b>			
Accounts payable	273,073	148,952	422,025
Other accrued liabilities	155,730	-	155,730
Special deposits	-	8,019	8,019
Accrued interest payable	349,315	5,781	355,096
Intergovernmental payables	14,647,907	-	14,647,907
Unearned revenue	61,340	13,803	75,143
Liabilities payable from restricted assets:			
Current maturities of revenue debt	-	824,338	824,338
Accrued interest	-	69,885	69,885
Non-current liabilities:			
Net pension liability	190,163	31,591	221,754
Due within one year	6,971,252	170,870	7,142,122
Due in more than one year	<u>27,459,154</u>	<u>4,965,579</u>	<u>32,424,733</u>
<b>TOTAL LIABILITIES</b>	<u>50,107,934</u>	<u>6,238,818</u>	<u>56,346,752</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year's property taxes	11,371,122	-	11,371,122
Pension related deferred inflows	400,193	66,483	466,676
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>11,771,315</u>	<u>66,483</u>	<u>11,837,798</u>
<b>NET POSITION</b>			
Net investment in capital assets	19,922,844	47,976,920	60,170,743
Restricted for:			
Debt service	4,459,966	794,321	5,254,287
Unrestricted (deficit)	<u>(6,784,287)</u>	<u>11,136,392</u>	<u>12,081,126</u>
<b>TOTAL NET POSITION</b>	<u>\$ 17,598,523</u>	<u>\$ 59,907,633</u>	<u>\$ 77,506,156</u>

See accompanying notes to financial statements.

# VILLAGE OF WESTON

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 1,277,477	\$ 268,929	\$ -	\$ -
Public safety	3,867,923	322,034	9,297	-
Public works	6,399,788	778,952	80,236	1,211,294
Health and human services	13,968	-	-	-
Parks, recreation, and education	761,510	151,487	1,501	257,794
Community development	702,723	16,068	-	-
Interest and fiscal charges	1,616,256	-	155,621	-
Total Governmental Activities	14,639,645	1,537,470	246,655	1,469,088
Business-Type Activities				
Water utility	1,635,488	2,124,178	-	20,175
Sewer utility	2,113,671	1,988,822	-	46,958
Stormwater utility	603,336	632,986	2,204	20,935
Total Business-Type Activities	4,352,495	4,745,986	2,204	88,068
Total Primary Government	\$ 18,992,140	\$ 6,283,456	\$ 248,859	\$ 1,557,156

### General Revenues

#### Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for TIF purposes
- Property taxes, levied for aquatic center
- Property taxes, levied for capital improvements
- Public accommodation taxes
- Other taxes

Intergovernmental revenues not restricted to specific programs

Public gifts and/or grants not restricted to specific programs

Investment earnings

Miscellaneous

Gain on sale of capital assets

#### Transfers

Total General Revenues and Transfers

### Change in net position

NET POSITION - January 1,

**NET POSITION - December 31**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,008,548)	\$ -	\$ (1,008,548)
(3,536,592)	-	(3,536,592)
(4,329,306)	-	(4,329,306)
(13,968)	-	(13,968)
(350,728)	-	(350,728)
(686,655)	-	(686,655)
(1,460,635)	-	(1,460,635)
<u>(11,386,432)</u>	<u>-</u>	<u>(11,386,432)</u>
-	508,865	508,865
-	(77,891)	(77,891)
-	52,789	52,789
<u>-</u>	<u>483,763</u>	<u>483,763</u>
<u>(11,386,432)</u>	<u>483,763</u>	<u>(10,902,669)</u>
3,406,514	-	3,406,514
1,550,000	-	1,550,000
5,010,039	-	5,010,039
40,000	-	40,000
93,326	-	93,326
389,742	-	389,742
146,987	-	146,987
1,247,644	-	1,247,644
333	-	333
188,899	55,354	244,253
52,119	-	52,119
29,380	-	29,380
468,983	(468,983)	-
<u>12,623,966</u>	<u>(413,629)</u>	<u>12,210,337</u>
<u>1,237,534</u>	<u>70,134</u>	<u>1,307,668</u>
16,360,989	59,837,499	76,198,488
<u>\$ 17,598,523</u>	<u>\$ 59,907,633</u>	<u>\$ 77,506,156</u>

See accompanying notes to financial statements.

**VILLAGE OF WESTON**

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2016

ASSETS	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
Cash and investments	\$ 6,136,746	\$ 534,585	\$ -	\$ 20,294
Receivables				
Taxes	11,203,700	1,098,157	3,077,956	-
Intergovernmental receivables	787,678	24,015	35,579	-
Municipal court	278,587	-	-	-
Special assessments	-	289,479	23,301	-
Accrued interest	7,784	-	-	6,877
Other	146,998	-	-	-
Total Receivables	<u>12,424,747</u>	<u>1,411,651</u>	<u>3,136,836</u>	<u>6,877</u>
Due from other funds	2,639,891	-	-	-
Prepaid items/Inventories	99,016	-	-	-
Advances to other funds	62,584	-	-	-
Restricted cash and investments	-	-	-	4,188,419
<b>TOTAL ASSETS</b>	<u>\$ 21,362,984</u>	<u>\$ 1,946,236</u>	<u>\$ 3,136,836</u>	<u>\$ 4,215,590</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 111,183	\$ -	\$ 75	\$ 126
Other accrued liabilities	155,730	-	-	-
Intergovernmental payables	14,647,907	-	-	-
Due to other funds	-	-	2,010,378	6,752
Unearned revenue	-	-	-	-
Advances from other funds	-	62,584	\$ -	-
Total Liabilities	<u>14,914,820</u>	<u>62,584</u>	<u>\$ 2,010,453</u>	<u>6,878</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year's property taxes	3,625,859	1,656,757	4,803,460	-
Unavailable revenue-other	219,463	-	-	-
Unavailable revenue-special assessments	-	289,479	23,301	-
Total Deferred Inflows of Resources	<u>3,845,322</u>	<u>1,946,236</u>	<u>4,826,761</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	686,782	-	-	-
Restricted	-	-	-	4,208,713
Committed	-	-	-	-
Assigned	101,256	-	-	-
Unassigned	1,814,804	(62,584)	(3,700,378)	-
Total Fund Balances (Deficit)	<u>2,602,842</u>	<u>(62,584)</u>	<u>(3,700,378)</u>	<u>4,208,713</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 21,362,984</u>	<u>\$ 1,946,236</u>	<u>\$ 3,136,836</u>	<u>\$ 4,215,590</u>

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.

Investment for joint venture is not a financial resource and, therefore, is not reported in the funds.

Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV (B).

Internal service funds are reported in the statement of net position as governmental funds.

The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:

    Net pension liability

    Deferred inflows of resources

    Deferred outflows of resources

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II (A).

Deferral amounts on debt refundings are reported as deferred outflows of resources on the government-wide statements.

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

<u>Capital Projects</u>		
<u>Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 454,871	\$ 382,176	\$ 7,528,672
93,326	1,048,347	16,521,486
-	34,978	882,250
-	-	278,587
-	-	312,780
-	2,052	16,713
-	90,113	237,111
<u>93,326</u>	<u>1,175,490</u>	<u>18,248,927</u>
-	-	2,639,891
-	60	99,076
-	-	62,584
-	248,368	4,436,787
<u>\$ 548,197</u>	<u>\$ 1,806,094</u>	<u>\$ 33,015,937</u>

\$ 65,676	\$ 93,884	\$ 270,944
-	-	155,730
-	-	14,647,907
-	158,770	2,175,900
-	560	560
-	-	62,584
<u>65,676</u>	<u>253,214</u>	<u>17,313,625</u>

93,326	1,191,720	11,371,122
-	-	219,463
-	-	312,780
<u>93,326</u>	<u>1,191,720</u>	<u>11,903,365</u>

-	-	686,782
-	251,253	4,459,966
-	5,596	5,596
389,195	176,091	666,542
-	(71,780)	(2,019,938)
<u>389,195</u>	<u>361,160</u>	<u>3,798,948</u>

<u>\$ 548,197</u>	<u>\$ 1,806,094</u>
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45,248,947

2,233,961

532,243

50,575

(190,163)

(400,193)

1,094,674

504,318

(34,779,721)

9,252

\$ 17,598,523

See accompanying notes to financial statements.

## VILLAGE OF WESTON

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
<b>REVENUES</b>				
Taxes	\$ 3,553,584	\$ 1,550,000	\$ 4,671,796	\$ -
Intergovernmental	1,974,152	33,605	78,111	-
Licenses and permits	411,326	-	-	-
Fines and forfeitures	97,626	-	-	-
Special assessments	5,660	126,174	89,117	-
Charges for services	108,399	81,860	-	5,022,788
Contributions and donations	633	-	-	-
Investment earnings and miscellaneous	115,200	17,791	6,965	90,591
Total Revenues	6,266,580	1,809,430	4,845,989	5,113,379
<b>EXPENDITURES</b>				
Current				
General government	1,076,763	-	-	-
Public safety	3,110,965	-	-	-
Public works	1,868,636	-	-	-
Health and human services	13,968	-	-	-
Parks, recreation, and education	342,213	-	-	-
Community development	342,426	-	5,140,363	2,844
Capital improvements	-	-	-	-
Debt service				
Principal retirement	-	6,500,802	-	-
Interest and fiscal charges	-	1,609,962	5,402	2,678
Bond issuance costs	-	507	-	-
Total Expenditures	6,754,971	8,111,271	5,145,765	5,522
Excess (deficiency) of revenues over expenditures	(488,391)	(6,301,841)	(299,776)	5,107,857
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond/notes issued	-	-	-	-
Capital Leases				
Transfers in	463,991	6,110,916	85,072	-
Transfers out	(30,942)	-	(512,640)	(5,107,860)
Sale of village properties	-	-	-	-
Total Other Financing Sources (Uses)	433,049	6,110,916	(427,568)	(5,107,860)
Net Change in Fund Balance	(55,342)	(190,925)	(727,344)	(3)
FUND BALANCES (DEFICIT) - Beginning	2,658,184	128,341	(2,973,034)	4,208,716
FUND BALANCES (DEFICIT) - Ending	\$ 2,602,842	\$ (62,584)	\$ (3,700,378)	\$ 4,208,713

<u>Capital Projects</u>		
<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 93,326	\$ 767,985	\$ 10,636,691
332,794	125,029	2,543,691
-	-	411,326
-	-	97,626
-	-	220,951
93,855	1,120,074	6,426,976
-	525	1,158
12,674	11,956	255,177
<u>532,649</u>	<u>2,025,569</u>	<u>20,593,596</u>
-	-	1,076,763
-	-	3,110,965
-	752,058	2,620,694
-	-	13,968
-	230,107	572,320
-	421,709	5,907,342
3,612,100	121,136	3,733,236
-	-	6,500,802
-	926	1,618,968
-	-	507
<u>3,612,100</u>	<u>1,525,936</u>	<u>25,155,565</u>
<u>(3,079,451)</u>	<u>499,633</u>	<u>(4,561,969)</u>
2,133,500	-	2,133,500
684,144	-	684,144
502,894	48,354	7,211,227
(188,672)	(902,130)	(6,742,244)
29,380	-	29,380
<u>3,161,246</u>	<u>(853,776)</u>	<u>3,316,007</u>
81,795	(354,143)	(1,245,962)
<u>307,400</u>	<u>715,303</u>	<u>5,044,910</u>
<u>\$ 389,195</u>	<u>\$ 361,160</u>	<u>\$ 3,798,948</u>

See accompanying notes to financial statements.

## VILLAGE OF WESTON

### 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

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Net change in fund balances - total governmental funds	\$ (1,245,962)
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 is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported 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	3,244,303
Depreciation is reported in the government-wide statements	(3,985,274)
Net effect of change in investment in joint venture - EMPD is to decrease net position.	(372,901)
Net effect of change in investment in joint venture - SAFER is to increase net position.	321,608
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.	-
Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements.	(272,600)
Change in the net pension asset /liability and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share, and the difference between the expected and actual experience of the pension plan.	(324,437)
Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments (\$6,500,802) exceeded issues (\$684,144 for capital leases, \$2,133,500 for general obligation debt).	3,683,158
Current year amortization expenditure of premiums, and discounts, loss of refunding is recorded in the government-wide financial statements, but is not recorded in the fund financial statements.	(48,071)
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.	
Compensated absences	(28,169)
Advances from developers on TIF District letters of credit	216,329
Accrued interest on debt	51,290
Internal service funds are used by management to charge the cost of self-insurance to individual funds. The increase in net position of the internal service funds is reported with governmental activities.	(1,740)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,237,534</u></b>

See accompanying notes to financial statements.



**VILLAGE OF WESTON**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
December 31, 2016

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 4,459,484	\$ 5,731,144	\$ -	\$ 10,190,628	\$ 53,939
Taxes receivable	12,196	9,474	3,500	25,170	-
Accounts receivable	338,032	410,005	144,608	892,645	-
Accrued interest receivable	28,251	35,536	612	64,399	-
Other accounts receivable	2,571	1,729	-	4,300	1,835
Intergovernmental receivable	5,735	3,932	-	9,667	-
Inventories	79,907	-	-	79,907	-
Prepaid items	511	-	-	511	57,710
Restricted assets					
Revenue bond redemption account	218,909	515,280	130,017	864,206	-
Revenue bond construction account	-	567,157	-	567,157	-
Total Current Assets	<u>5,145,596</u>	<u>7,274,257</u>	<u>278,737</u>	<u>12,698,590</u>	<u>113,484</u>
<b>NON-CURRENT ASSETS</b>					
Restricted Assets					
Revenue bond reserve account	250,703	561,560	264,165	1,076,428	-
Net pension asset	-	-	-	-	-
Total restricted assets	<u>250,703</u>	<u>561,560</u>	<u>264,165</u>	<u>1,076,428</u>	<u>-</u>
Other Assets					
Special assessments receivable	44,021	401,038	-	445,059	-
Advance to other funds	-	379,586	-	379,586	-
Total other assets	<u>44,021</u>	<u>780,624</u>	<u>-</u>	<u>824,645</u>	<u>-</u>
Capital Assets					
Intangible plant - organizational costs	319	-	-	319	-
Land	568,259	-	54,774	623,033	-
Wells and springs	597,507	-	-	597,507	-
Buildings and system	1,028,656	1,551,199	-	2,579,855	-
Improvements other than buildings	25,091,770	28,811,061	17,207,448	71,110,279	-
Machinery and equipment	2,106,777	744,314	153,834	3,004,925	-
Construction in progress	103,692	387,249	-	490,941	-
Less accumulated depreciation	<u>(8,675,167)</u>	<u>(11,970,323)</u>	<u>(5,573,122)</u>	<u>(26,218,612)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>20,821,813</u>	<u>19,523,500</u>	<u>11,842,934</u>	<u>52,188,247</u>	<u>-</u>
Total Non-Current Assets	<u>21,116,537</u>	<u>20,865,684</u>	<u>12,107,099</u>	<u>54,089,320</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>26,262,133</u>	<u>28,139,941</u>	<u>12,385,836</u>	<u>66,787,910</u>	<u>113,484</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	142,128	39,727	-	181,855	-
Deferred charge on refunding	-	81,914	4,832	86,746	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>142,128</u>	<u>121,641</u>	<u>4,832</u>	<u>268,601</u>	<u>-</u>

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 45,786	\$ 103,090	\$ 76	\$ 148,952	\$ 2,129
Customer deposits payable	3,057	4,962	-	8,019	-
Accrued interest payable	392	-	5,389	5,781	-
General obligation debt - current	38,000	-	132,870	170,870	-
Due to other funds	455,315	8,676	-	463,991	-
Unearned revenue	13,803	-	-	13,803	60,780
Current liabilities payable from restricted assets					
Current maturities of revenue debt	188,654	472,649	163,035	824,338	-
Accrued interest payable	19,273	26,853	23,759	69,885	-
Total Current Liabilities	<u>764,280</u>	<u>616,230</u>	<u>325,129</u>	<u>1,705,639</u>	<u>62,909</u>
<b>NON-CURRENT LIABILITIES</b>					
General obligation debt, less current maturities	-	-	142,686	142,686	-
Revenue debt, less current maturities	1,230,356	1,522,555	2,050,852	4,803,763	-
Advance from other funds	-	-	379,586	379,586	-
Net pension liability	24,690	6,901	-	31,591	-
Compensated absences	9,565	9,565	-	19,130	-
Total Non-Current Liabilities	<u>1,264,611</u>	<u>1,539,021</u>	<u>2,573,124</u>	<u>5,376,756</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,028,891</u>	<u>2,155,251</u>	<u>2,898,253</u>	<u>7,082,395</u>	<u>62,909</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred inflows	51,958	14,525	-	66,483	-
<b>NET POSITION</b>					
Net investment in capital assets	19,615,506	18,738,927	9,622,487	47,976,920	-
Restricted for debt service	199,636	488,427	106,258	794,321	-
Unrestricted (deficit)	<u>4,508,270</u>	<u>6,864,452</u>	<u>(236,330)</u>	<u>11,136,392</u>	<u>50,575</u>
<b>TOTAL NET POSITION</b>	<u>\$ 24,323,412</u>	<u>\$ 26,091,806</u>	<u>\$ 9,492,415</u>	<u>\$ 59,907,633</u>	<u>\$ 50,575</u>

See accompanying notes to financial statements.

## VILLAGE OF WESTON

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

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 2,204	\$ 2,204	\$ -
Charges for services	1,642,118	1,988,822	632,986	4,263,926	737,087
Public fire protection	458,714	-	-	458,714	-
Other operating revenue	23,346	-	-	23,346	-
Total Operating Revenues	2,124,178	1,988,822	635,190	4,748,190	737,087
<b>OPERATING EXPENSES</b>					
Utility operations	575,860	280,317	90,928	947,105	-
Administration	415,143	268,037	22,746	705,926	-
Rib Mountain Sewerage District - services	-	768,372	-	768,372	-
Depreciation	578,580	691,906	367,035	1,637,521	-
Health claims and other employee benefits	-	-	-	-	739,695
Total Operating Expenses	1,569,583	2,008,632	480,709	4,058,924	739,695
Operating Income (Loss)	554,595	(19,810)	154,481	689,266	(2,608)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	78,120	83,526	2,367	164,013	-
Net decrease in fair value of investments	(53,864)	(55,771)	976	(108,659)	-
Gain (Loss) on sale of capital assets	(3,654)	-	-	(3,654)	-
Interest expense and fiscal charges	(60,905)	(83,029)	(114,220)	(258,154)	-
Amortization of bond discount	(1,346)	(2,351)	(1,964)	(5,661)	-
Amortization of loss on advance refunding	-	(19,659)	(6,443)	(26,102)	-
Debt service charge - Rib Mt. Sewerage Dist.	-	-	-	-	-
Other	-	-	-	-	868
Total Nonoperating Revenues (Expenses)	(41,649)	(77,284)	(119,284)	(238,217)	868
Income (Loss) Before Contributions and Transfers	512,946	(97,094)	35,197	451,049	(1,740)
Capital contributions	20,175	46,958	20,935	88,068	-
Transfer out - debt service	(1,664)	(1,664)	(1,664)	(4,992)	-
Transfers out - tax equivalent	(455,315)	(8,676)	-	(463,991)	-
Change in Net Position	76,142	(60,476)	54,468	70,134	(1,740)
NET POSITION - January 1	24,247,270	26,152,282	9,437,947	59,837,499	52,315
NET POSITION - December 31	\$ 24,323,412	\$ 26,091,806	\$ 9,492,415	\$ 59,907,633	\$ 50,575

See accompanying notes to financial statements.

**VILLAGE OF WESTON**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,142,259	\$ 1,984,257	\$ 631,630	\$ 4,758,146	\$ 769,240
Payments to suppliers for goods and services	(618,536)	(1,220,930)	(81,624)	(1,921,090)	(752,148)
Payments to employees	(287,775)	(157,788)	(33,638)	(479,201)	-
Net Cash Provided by Operating Activities	<u>1,235,948</u>	<u>605,539</u>	<u>516,368</u>	<u>2,357,855</u>	<u>17,092</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Paid to municipality for tax equivalent	(466,613)	(7,778)	-	(474,391)	-
Advance from (to) Sewer Utility	-	11,055	(11,055)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(466,613)</u>	<u>3,277</u>	<u>(11,055)</u>	<u>(474,391)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Additions to capital assets	(152,363)	(419,231)	(6,787)	(578,381)	-
Special assessments received	12,734	33,355	-	46,089	-
Special assessments placed on tax roll	5,206	3,295	-	8,501	-
Principal paid	(217,000)	(395,000)	(383,050)	(995,050)	-
Interest paid on long-term debt	(63,564)	(87,967)	(118,132)	(269,663)	-
Net Cash Used by Capital and Related Financing Activities	<u>(414,987)</u>	<u>(865,548)</u>	<u>(507,969)</u>	<u>(1,788,504)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(2,411,000)	(2,739,000)	(175,000)	(5,325,000)	-
Sale of investments	1,747,850	2,944,592	171,141	4,863,583	-
Income on investments	105,617	144,421	9,171	259,209	-
Net Cash Provided (Used) by Investing Activities	<u>(557,533)</u>	<u>350,013</u>	<u>5,312</u>	<u>(202,208)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(203,185)	93,281	2,656	(107,248)	17,092
CASH AND CASH EQUIVALENTS - Beginning	<u>1,257,634</u>	<u>2,162,512</u>	<u>221,158</u>	<u>3,641,304</u>	<u>36,847</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 1,054,449</u>	<u>\$ 2,255,793</u>	<u>\$ 223,814</u>	<u>\$ 3,534,056</u>	<u>\$ 53,939</u>

**VILLAGE OF WESTON**

STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 554,595	\$ (19,810)	\$ 154,481	\$ 689,266	\$ (2,608)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	578,580	691,906	367,035	1,637,521	-
Nonoperating other revenue	-	-	-	-	868
Change in pension related assets, deferred outflows, and deferred inflows	46,354	22,116	-	68,470	-
Changes in assets and liabilities					
Taxes receivable	3,763	3,495	384	7,642	-
Accounts receivable	10,289	(7,756)	(3,944)	(1,411)	10,411
Due from other funds	1,560	-	-	1,560	-
Intergovernmental receivables	(588)	(304)	-	(892)	-
Inventories	14,038	-	-	14,038	-
Prepaid items	(511)	-	-	(511)	(10,503)
Accounts payable	(2,475)	(51,526)	76	(53,925)	(1,950)
Retainages payable	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-
Compensated absences	(984)	(984)	-	(1,968)	-
Customer deposits payable	3,057	-	-	3,057	-
Meter allocation	29,934	(29,934)	-	-	-
Operating lease payment	(1,664)	(1,664)	(1,664)	(4,992)	-
Intergovernmental payables	-	-	-	-	-
Unearned revenue	-	-	-	-	20,874
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 1,235,948</u>	<u>\$ 605,539</u>	<u>\$ 516,368</u>	<u>\$ 2,357,855</u>	<u>\$ 17,092</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments - statement of net position - proprietary funds	\$ 4,459,484	\$ 5,731,144	\$ -	\$ 10,190,628	\$ 53,939
Restricted cash and investments - statement of net position - proprietary fund					
Revenue bond redemption account	218,909	515,280	130,017	864,206	-
Revenue bond construction account	-	567,157	-	567,157	-
Revenue bond reserve account	250,703	561,560	264,165	1,076,428	-
Total Cash and Investments	<u>4,929,096</u>	<u>7,375,141</u>	<u>394,182</u>	<u>12,698,419</u>	<u>53,939</u>
Less: Non-Cash Equivalents	<u>(3,874,647)</u>	<u>(5,119,348)</u>	<u>(170,368)</u>	<u>(9,164,363)</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,054,449</u>	<u>\$ 2,255,793</u>	<u>\$ 223,814</u>	<u>\$ 3,534,056</u>	<u>\$ 53,939</u>

See accompanying notes to financial statements.

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Weston, 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 Weston. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity 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 is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate units, are, in substance, part of the government's operations. If the Village had any discretely presented component units, they would be reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Village of Weston, Wisconsin, is a Village governed by an elected seven-member village board of trustees. As required by general accepted accounting principles (GAAP), these financial statements reflect all significant operations under the control of its Village Board.

The Village is a member of the Everest Metro Public Safety. This is a joint venture with the City of Schofield and the Town of Weston. See Note V. (E.) for more information on the joint venture. The Village is also a member of the South Area Fire & Emergency Response District. This is a joint venture with the Town of Rib Mountain. See Note V. (E.) for more information on the joint venture.

Included in the reporting entity:

**Blended Component Unit - Weston Community Development Authority**

The Weston Community Development Authority (CDA) was created in 2002 by the Village to serve as a financing vehicle for certain community development projects. The CDA is a legally separate organization governed by a seven-member board that is appointed by the Village President and Board of Trustees of the Village of Weston. Although it is legally separate from the Village, the CDA is reported as if it were a part of the primary government, because its sole purpose is to oversee and participate, if necessary, in financing community development projects for the benefit of the Village and its citizens. Furthermore, the CDA is included as a component unit as the CDA has no ability to issue debt or otherwise carry out its activities without the participation and agreement of the Village or appropriation of funds by the Village Board. The CDA does review project plans for the Village's TIF districts. The CDA will review these project plans in determining blight elimination, slum clearance, urban renewal, and other community development programs. The operations of the CDA are included in the governmental activities of the government-wide financial statements as a separate special revenue fund for each Tax Incremental Financing (TIF) District. Separate financial statements are not published for the CDA which follows the same accounting policies as the Village of Weston.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

*Fund Financial Statements*

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements (cont.)*

The Village reports the following major governmental funds:

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

**Debt Service Fund** – accounts for resources accumulated and payments made for principal and interest on long-term debt other than tax increment financing (TIF) or enterprise fund debt.

**Special Revenue Fund – TIF District #1** – accounts for the receipts of district "incremental" property taxes and other revenues and corresponding program expenditures for TIF District #1.

**Special Revenue Fund – Community Development Authority (CDA) – TIF District #1** – accounts for the receipts of CDA Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston and the transfer of these proceeds to the TIF District #1 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

**Capital Projects – Capital Improvement Fund** – accounts for general capital expenditures of the Village.

The Village reports the following major enterprise funds:

**Water Utility** – accounts for operations of the water system.

**Sewer Utility** – accounts for operations of the sewer system.

**Stormwater Utility** – accounts for operations of the stormwater system.

The Village reports the following non-major governmental funds:

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

**Refuse/Recycling** Civic and Social

**TIF District #2** Room Taxes

**Transportation Utility** Park and Recreation

**Aquatic Center** Community Development Authority (CDA) – TIF District #2

**Capital Projects Funds** – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

TIF District #1

In addition, the Village reports the following fund types:

**Internal Service Funds** – used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village, or to other governmental units, on a cost-reimbursement basis. The Village's internal service fund is:

**Fringe Benefits/Insurances** – used to account for the accumulation and allocation of premium and claims costs associated with the Village's health insurance program, self-insured dental insurance program, worker wellness program, employee wellness program, life insurance program, income continuation insurance program, post health employment program, and workers compensation insurance program.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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, deferred outflows, liabilities, and deferred inflows 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 a deferred inflow. 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, sewer, and stormwater utility funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*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. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current 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.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements (cont.)*

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The water utility and sewer utility record an annual payment in lieu of taxes (PILOT) expense based on the value of its plant and the current assessment ratio and local and school portion of the mill rate. Municipal utilities are exempt from federal and state income taxes. Taxes include the employer's share of Social Security and Medicare, and PSC remainder assessment.

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 proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and stormwater funds are charges to customers for sales and services.

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.

*All Financial Statements*

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



VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / 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:

1. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
  2. Bonds or securities of any county, city, drainage district, technical college district, 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 the Wisconsin Aerospace Authority.
  3. Bonds or securities issued or guaranteed by the federal government.
  4. The Wisconsin local government investment pool.
  5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
  6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
  7. Repurchase agreements with public depositories, with certain conditions.
- Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. The Village believes it is in compliance with all restrictions.

The Village has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". This standard establishes and modifies disclosure requirements related to deposit risks (custodial credit and foreign currency risks) and investment risks (custodial credit, credit, concentration of credit, interest rate, and foreign currency risks). The Village attempts to manage its deposit and investment risks as follows:

- a. Custodial credit risk – all securities will be held by a third-party custodian.
- b. Credit risk – purchases of securities in the lower end of allowed rating categories within the statutory provisions would be limited.
- c. Concentration of credit risk – diversification among issuers and types of investments to avoid over-concentration in specific issuers or sectors is a stated goal of the policy.
- d. Interest rate risk – Village policy is to not directly invest in securities with maturities of greater than five years unless matched to a specific cash flow and disclosed to the Finance Committee.
- e. Foreign currency risk – Village policy is to not hold deposits and investments denominated in foreign currencies because the potential risk of loss arising from changes in exchange rates can be significant.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**1. Deposits and Investments** (cont.)

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 earnings. Investment earnings on commingled investments of municipal accounting funds are allocated based on average balances. The difference between the bank balance and carrying value 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 statements.

See Note IV (A.) for further information.

**2. Receivables**

*Property Taxes*

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, deferred inflows, and intergovernmental payables on the accompanying general fund balance sheet.

Property tax calendar – 2016 tax roll:

Lien date and levy date	November 2016
Tax bills mailed	December 8, 2016
Payment in full, or	January 31, 2017
- First installment due	January 31, 2017
- Second installment due to Marathon County	July 31, 2017
Personal property taxes due in full	January 31, 2017
Tax settlement with other governmental units:	
- First settlement	January 15, 2017
- Second settlement	February 20, 2017
- Final settlement	August 20, 2017
Tax deed sale by Marathon County:	
- 2016 delinquent real estate taxes	October 2019

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**2. Receivables** (cont.)

*Uncollectible Accounts*

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by Marathon County, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made for the water utility, sewer utility, and stormwater utility because they have the right by law to place delinquent bills on the tax roll.

*Interfund Transactions*

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 within governmental activities 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 fund balance classification as nonspendable, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**3. Inventories and Prepaid Items**

Inventories of the proprietary funds are stated at the lower of cost or market utilizing the average cost method and charged to construction or expense when used. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased, based on original cost using the FIFO method of accounting.

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.

**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 for retirement of related long-term debt or acquisition of capital assets. The remainder, if generated from earnings, is shown as restricted net position.

**5. Capital Assets**

**Government-Wide Statements**

In the government-wide financial statements, capital assets are defined by the government as property such as plant, equipment, intangibles, and infrastructure with an initial cost of more than \$5,000 or 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**5. Capital Assets** (cont.)

**Government-Wide Statements** (cont.)

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 plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage value, is charged to accumulated depreciation.

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

The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Wells and Springs	34½ Years
Land Improvements	20 Years
Machinery and Equipment	3-20 Years
Utility System	2-50 Years
Infrastructure	20-40 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.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide and proprietary fund statements on net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The second item is related to the Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**6. Deferred Outflows / Inflows of Resources** (cont.)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category in the government-wide statement of net position. The first item is property taxes, which will be recognized as an inflow of resources in the subsequent year for which it was levied. The second item is related to the Village's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining services lives of the pension plan participants. The Village also has an additional type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: special assessments, municipal court fines, and letter of credit payments due from developers. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Additionally, the Village reports unearned revenue within its governmental funds balance sheet. The governmental funds report unearned revenue for revenues which are available and measurable, but not yet earned for grants received in advance of meeting time requirements. These amounts are recognized as an inflow of resources in the period that the amounts become earned.

**7. Wisconsin Retirement System Pension Plan Benefits**

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

**8. Basis for Existing Rates – Proprietary Funds**

*Water Utility*

Current water rates were approved by the Public Service Commission of Wisconsin on January 23, 2009, and placed into effect on March 18, 2009.

*Sewer Utility*

Current sanitary sewer/wastewater rates were approved by the Village Board on December 15, 2003.

*Stormwater Utility*

Current stormwater rates were approved by the Village Board on April 20, 2015.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**9. Compensated Absences**

Under terms of employment, employees earn paid time off (PTO) in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All PTO is accrued when incurred in the government-wide and proprietary fund financial statements. A 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 PTO will be made at rates in effect when the benefits are used. Accumulated PTO liabilities at December 31, 2016 are determined on the basis of current salary rates and include salary related payments.

**10. 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 debt obligations is 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.

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. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for premiums/discounts is shown as an increase or decrease in the liability section of the Statement of Net Position. The balance at year-end for gains/losses is shown as a deferred outflow/inflow as applicable.

The Village may approve 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. There were no IRB's outstanding at year end.

**11. Claims and Judgments**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that mature or become due are recorded during the year as expenditures in the governmental funds. If they have not matured, no liability is recognized in the governmental fund statements. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

12. Equity Classifications

Government-Wide Statements

Government-wide and proprietary fund net position is divided into three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The unrestricted component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column. The amount is a reduction in "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column.

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$19,922,844	\$47,976,920	\$(7,729,021)	\$60,170,743
Unrestricted	(6,784,287)	11,136,392	7,729,021	12,081,126

Fund Financial Statements

Beginning with the year ended December 31, 2011, the Village implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid items) or are legally or contractually required to be maintained intact.
- b. Restricted fund balance – amounts that are constrained for specific purposes by external parties (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

12. Equity Classifications (cont.)

Fund Financial Statements (cont.)

- c. Committed fund balance – amounts that are constrained for specific purposes by a formal action (resolution) of the Village Board, using its highest level of decision-making authority. These committed funds cannot be used for any other purpose unless the Village Board takes the same highest level of action to remove or change the constraint.
- d. Assigned fund balance – amounts that a government intends to use for a specific purpose. The intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The governing body has delegated the authority to assign fund balance to management of the Village.
- e. Unassigned fund balance – amounts that are available for any purpose. These amounts are reported only in the general fund and have not been classified within the other above mentioned classifications.

The Village has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. This spend-down policy follows GASB Statement No. 54 which indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

The Village has also adopted a formal financial policy regarding the fund balance in the general fund. The policy calls for an unassigned general fund balance equivalent of between two months to four months (16.67% - 33.33%) of the ensuing year's budgeted general fund expenditures.

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds”. The detail of this \$34,996,050 difference in liabilities is as follows:

General obligation bonds and notes payable	\$9,564,541
Revenue bonds payable	22,670,000
Lease payable	958,464
Compensated absences	151,128
Advances from developers on TIF District letters of credit	1,214,902
Accrued interest	349,315
Unamortized debt discounts and premiums	<u>(128,629)</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$34,779,721</u>

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. 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.).

A budget has been adopted for the general fund, all special revenue funds, debt service fund, all capital project funds, all enterprise funds, and the internal service fund. Comparative schedules have been presented in supplementary information for all funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

The budgeted amounts presented include any amendments made.

The Village follows these procedures in establishing the budget versus actual budgetary data reflected in the financial statements:

- a. The Village Administrator submits to the Village Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at the Weston Municipal Center to obtain taxpayer comments.
- c. Prior to December 31, the budget is legally adopted through passage of a village resolution.
- d. The budget as adopted includes total expenditures at the cost center level. A cost center can be a fund, major program, department, or other activity for which control of expenditures is considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General Fund at the department level, Special Revenue and Capital Projects Funds at the major program level, and Debt Service Fund at total fund level. Expenditures cannot legally exceed appropriations at this level without two-thirds Village Board approval to amend the budget. Supplemental appropriations during the year included an increase of \$310,004 in the debt service fund and a net increase of \$1,157,079 in the capital improvements fund. The Village Board properly authorized all supplemental appropriations for budget year 2016. Transfers of appropriations between cost center levels also require the approval of the Village Board.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Enterprise Funds, and the Internal Service Fund.
- f. A comparison of Actual and Budget is included in the accompanying financial statements for all governmental fund types with a legally adopted annual budget. The budget presentations are at the cost center level (legal level of control for the annual budget).
- g. All budgets adopted conform to generally accepted accounting principles (GAAP), including the Enterprise Funds. Budget amounts are as originally adopted or as amended via the procedures explained above. Individual amendments were legally authorized as described.
- h. Budgets for all non-committed governmental funds lapse at year-end.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following cost centers in the general fund and in the other individual funds had an excess of expenditures over appropriations at the legal level of budgetary control for the year ended December 31, 2016.

	<u>Excess Expenditures</u>
<b>General Fund</b>	
Personnel/human resources	\$ 18,425
Elections	10,746
Village attorney	2,691
Finance/audit and budget	1,655
Information technology	5,671
Public works department	49,444
<b>Special Revenue Funds</b>	
TIF District #2	989
Room taxes	16,555
Transportation utility	12

The excess amounts that occurred in the General Fund were covered by the fund balance in that fund. The excess amount in the Special Revenue Fund – Transportation Utility was covered by a transfer from the General Fund. The excess amounts in Special Revenue Fund – Room Taxes and Special Revenue Fund – TIF District #2 were covered by fund balance.

**C. DEFICIT BALANCES**

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

As of December 31, 2016, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Deficit Balance</u>	<u>Reason</u>
<b>Debt Service Fund</b>	\$62,584	Costs exceed tax increments collected
<b>Special Revenue Funds</b>		
TIF District #1	\$3,700,378	Costs exceed tax increments collected
<b>Capital Project Funds</b>		
TIF District #1	\$71,780	Costs exceed tax increments collected

The deficit in the Special Revenue Fund – TIF District #1 and Capital Projects Fund – TIF District #1 is expected to be funded with future tax increment revenues. The deficit in the Debt Service Fund will be paid back with future levy revenue.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

**D. LIMITATIONS ON THE VILLAGE'S TAX LEVY**

As part of Wisconsin Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the percentage change in the Village's equalized value due to net new construction for the 2015 levy collected in 2016 and thereafter. Debt service for debt authorized after July 1, 2005, is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005, and in certain other situations.

**E. BOND COVENANT DISCLOSURE – WATER UTILITY, SEWER UTILITY, AND STORMWATER UTILITY**

**Bond Covenant Disclosures**

The following information is provided in compliance with the resolution creating the 2006, 2007, and 2008 revenue bonds.

**Insurance**

The water, sewer and stormwater utilities are covered under the following insurance policies at December 31, 2016 (unaudited):

<u>Type</u>	<u>Coverage</u>	<u>Expiration Date</u>
<i>EMC Insurance</i>		
Building	\$15,130,479	12/31/2016
Personal Property	4,019,488	12/31/2016
Property in the Open	14,196,633	12/31/2016
<i>League of Wisconsin Municipalities Mutual Insurance</i>		
General Liability	\$4,000,000	12/31/2016
Automobile	4,000,000	12/31/2016

Refer to Note V.(B.) for additional insurance information.

**Debt Coverage**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times (or 1.20 times for the stormwater utility) the highest annual debt service of the bonds. The coverage requirement was met as follows:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>
Operating revenues	\$2,124,178	\$1,988,822	\$ 635,190
Investment earnings	78,120	83,526	2,367
Less: Operations and maintenance expenses	(991,003)	(1,316,726)	(113,674)
Net Defined Earnings	<u>\$1,211,295</u>	<u>\$ 755,622</u>	<u>\$ 523,883</u>
Minimum Required Earnings per Resolution:			
Highest annual debt service	\$ 250,702	\$ 561,560	\$ 264,165
Coverage factor	<u>1.25</u>	<u>1.25</u>	<u>1.20</u>
Minimum Required Earnings	<u>\$ 313,378</u>	<u>\$ 701,950</u>	<u>\$ 316,998</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

E. BOND COVENANT DISCLOSURE – WATER UTILITY, SEWER UTILITY, AND STORMWATER UTILITY (cont.)

Number of Customers

The utilities had the following number of customers and billed volumes for 2016 (unaudited).

	Water Utility		Sewer Utility		Stormwater Utility	
	Customers	Sales (000 gals)	Customers	Sales (000 gals)	Customers	ERUs
Residential	4,624	213,148	4,657	203,179	4,620	4,355
Commercial	411	94,199	554	125,360	481	6,084
Industrial	21	280,654	35	49,677	26	1,344
Public Authority	42	23,756	23	8,032	25	769
Other	168	60,272	-	-	13	158
Unmetered	-	1,907	-	-	-	-
Totals	5,266	673,936	5,232	386,248	5,185	12,710

Utility Budget

The 2016 water, sewer, and stormwater utility budgets were prepared and approved as required by the bond resolutions. The budget information is as follows:

	Revenues/Sources		Expenses/Uses	
	Actual	Budget	Actual	Budget
Water Utility	\$2,144,780	\$2,156,956	\$2,088,813	\$2,394,996
Sewer Utility	2,016,577	2,234,138	2,124,011	2,180,724
Stormwater Utility	638,533	644,642	604,999	580,637
* Excluding capital contribution revenue sources in the Water Utility of \$20,175, Sewer Utility of \$46,958 and in the Stormwater Utility of \$20,935.				

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE IV – 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	\$ 9,219,862	\$ 8,936,541	Custodial credit
Certificates of deposits	3,147,056	3,147,056	Custodial credit
Petty cash	8,200	-	N/A
Total cash	\$12,375,118	\$12,083,597	
Wisconsin Local Government Investment Pool (LGIP)	2,026		Credit, Interest rate
Municipal securities	551,445		Credit, Custodial credit, Interest rate, Concentration of credit
Negotiable certificates of deposits	2,488,232		Credit, Custodial credit, Interest rate, Concentration of credit
U.S. Government treasury securities	1,220,679		Custodial credit, Interest rate
U.S. Government agency securities	8,080,317		Credit, Custodial credit, Interest rate, Concentration of credit
Total investments	12,342,699		
Total cash and investments	\$24,717,817		

Reconciliation to financial statements:

Per statement of net position	
Unrestricted cash and investments	\$17,773,239
Restricted cash and investments	6,944,578
Total cash and investments	\$24,717,817

Deposits in each local and area bank are insured by the FDIC (Federal Deposit Insurance Corporation), while credit unions are insured by the NCUA (National Credit Union Association), in the amount of \$250,000 for all demand accounts and \$250,000 for time and savings accounts for banks that have opted in.

Bank and credit union accounts and the LGIP are also insured by the State of Wisconsin Deposit Guarantee Fund, in the amount of \$400,000 for each financial institution. However, although the fund had reserves available at December 31, 2016, the future availability of resources to cover any losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provide that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund will be abolished. Due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and with other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered for custodial risk determination.

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

Some financial institutions acting as a depository for the Village are required to pledge collateral to secure all Village funds over and above amounts covered by the FDIC and the State Deposit Guarantee Fund. All securities serving as collateral are specifically pledged to the Village and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The type of collateral used must be satisfactory to the Village. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. Collateral for Village deposits is maintained at a level representing the assumed highest daily balance maintained by the Village. Fluctuating cash flows during the year due to tax collections, receipt of state aids, and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year-end.

The investments in the Local Government Investment Pool (the Pool) are covered up to \$400,000 by the State Guarantee Fund. Certificates of deposit held in the Pool are covered by FDIC insurance, which applies to the proportionate public unit share of accounts.

**Fair Value Measurements:** The Village implemented GASB Statement No. 72, Fair Value Measurement and Application, for the year ending December 31, 2016. The Village categorized its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2016:

Investment Type	Fair Value Measuring Using		
	Level 1	Level 2	Level 3
U.S. Agencies		\$ 8,080,317	
U.S. Treasuries		1,220,679	
Negotiable CD's		2,488,232	
Municipal Securities		551,445	
External Investments		2,026	
Total		\$12,342,699	

**Custodial Credit Risk - Deposits:** For 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. The Village does have a deposit policy for custodial credit risk. This policy details eligibility for authorization to include banks or savings and loans that are a member of the FDIC or credit unions that are insured by the NCUA, and qualify as a depository of public funds in the State of Wisconsin. Broker/dealers who desire to become qualified for investment transactions must have a minimum capital requirement of \$10,000,000 and be in operation for at least the last five years. The broker/dealers must also qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule) to be a primary or regional dealer and provide proof of National Association of Securities Dealers ("NASD") certification.

As of December 31, 2016, \$9,095,036 of the Village's bank balances of \$12,083,597 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized demand deposits	\$ 7,158,329
Uninsured and uncollateralized certificates of deposit	1,936,707
	<u>\$9,095,036</u>

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Custodial Credit Risk - Investments:** For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does have a deposit policy for custodial credit risk as is outlined above.

As of December 31, 2016, the Village does not have any investments exposed to custodial credit risk.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Village does not have a formal credit risk policy, but follows state statutes.

As indicated in Note I, (D.1.), Wisconsin statutes require municipalities to invest in securities which have a rating that is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating. As of December 31, 2016, the Village's investments were rated as follows:

The Village's investments in U.S. Government agency securities issued by the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation are either rated Aaa by Moody's Investors Service or considered "Agency" obligations of the U.S. Government. The State of Wisconsin Transportation Revenue Bonds ("Taxable Build America Bonds-Direct Payment) are rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's. As of December 31, 2016, the Village also had investments in one U.S. Government treasury securities fund that was rated AAA and/or Aaa by Standard & Poor's, Moody's Investors Service, or Fitch Ratings. The Village also had investments in the following external pools that are not rated:

Investment Type	Percentage of Portfolio
Wisconsin Local Government Investment Pool (LGIP)	

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have a formal concentration of credit risk policy, but attempts to minimize their concentration of credit risk with their investment policy. The Village's investment policy requires them to pre-qualify the financial institutions they work with and to diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

At December 31, 2016, the investment portfolio had concentrations of investments greater than 5% of the total portfolio as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Farm Credit Bank	U.S. Government agency notes and mortgage-backed securities	34.74%
Federal Home Loan Mortgage Corp.	U.S. Government agency notes and mortgage-backed securities	8.74%
Federal National Mortgage Association	U.S. Government agency notes and mortgage-backed securities	23.07%

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal policy related to interest rate risk. The Village's investment policy details that the investment and cash management portfolio be designed to attain a fair value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. As of December 31, 2016, the Village's investments were comprised of two portfolios, one managed internally and one managed via external investment advisors, as follows:



**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

Investment Type	Fair Value	Weighted Average Maturity (days)	Weighted Average Maturity (years)
Internally managed portfolio:			
Wisconsin Local Government Investment Pool (LGIP)	\$ 2,026	61	10.08
U.S. Government agency notes	8,080,317		3.26
Negotiable certificates of deposit	2,488,232		8.50
Municipal securities	551,445		
Externally managed portfolios:			
U.S. Government treasury securities	1,220,679	7	
Total fair value	<u>\$12,342,699</u>		

To reduce the risk of loss due to interest rate changes, the Village's investment policy requires investing in securities with varying maturities. To the extent possible, the Village attempts to match the maturity of investments with anticipated cash flow requirements.

**Foreign Currency Risk:** Foreign currency risk is the risk of loss arising from changes in exchange rates that result from holding deposits and investments denominated in foreign currencies. The Village does not have a formal foreign currency policy.

At December 31, 2016, the Village's portfolio did not comprise of any deposits or investments denominated in foreign currencies.

**B. RECEIVABLES**

All receivable balances are expected to be collected within one year, except for special assessments. Revenues of the Village are reported net of an allowance for uncollectible amounts. There was no allowance for uncollectible amounts in 2016.

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period as well as with property taxes received or reported as a receivable before the period for which the property taxes are levied. Governmental funds also report *unearned revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Tax Levy and Unearned	Totals
Property taxes receivable	\$ -	\$11,371,122	\$11,371,122
Unearned revenue	-	560	560
Special assessments	312,780	-	312,780
Receivables not received within 60 days of year-end	219,463	-	219,463
Total deferred inflows / unearned revenue	<u>\$ 532,243</u>	<u>\$11,371,682</u>	<u>\$11,903,925</u>

On the statement of net position \$60,780 of unearned revenue is reported from the internal service funds. Property taxes are reported as deferred inflows in the government-wide statements.

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets for business-type activities:

**Long-Term Debt Accounts**

- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Construction - Used to segregate the balance of the bond proceeds not yet spent, which will be used to pay for the remainder of the construction projects.

The following calculation supports the amount of restricted net position:

Restricted Assets	Amount
Revenue bond reserve account	\$ 1,076,428
Revenue bond redemption account	864,206
Revenue bond construction account	<u>587,157</u>
Total Restricted Assets	<u>2,507,791</u>
Less: Restricted Assets Not Funded by Revenues	(1,076,428)
Revenue bond reserve account	<u>(587,157)</u>
Revenue bond construction account	<u>(864,206)</u>
Total Restricted Assets Not Funded by Revenues	<u>(69,885)</u>
Current Liabilities Payable From Restricted Assets	<u>\$ 794,321</u>
Total Restricted Net Position as Calculated	

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS**

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

<b>Governmental Activities</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 4,311,104	\$ 1,827,944	\$ -	\$ 6,139,048
Right-of-ways	659,475	-	-	659,475
Construction in progress	47,031	18,616	-	65,647
Total Capital Assets	5,017,610	1,846,560	-	6,864,170
Not Being Depreciated				
Capital Assets Being Depreciated:				
Land improvements	6,101,573	98,195	-	6,199,768
Buildings	6,910,471	-	-	6,910,471
Equipment, furniture, and fixtures	4,044,260	760,404	(56,634)	4,748,030
Roads/streets, Curb/gutters, and Driveway approaches	72,123,077	300,181	-	72,423,258
Bridges	2,512,132	-	-	2,512,132
Street lighting	1,536,362	122,745	-	1,659,097
Traffic signals	1,053,510	-	-	1,053,510
Sidewalks	3,465,027	116,218	-	3,581,245
Total Capital Assets	97,746,402	1,397,743	(56,634)	99,087,511
Being Depreciated				
Less Accumulated Depreciation for:				
Land improvements	3,095,811	303,452	-	3,399,263
Buildings	2,981,512	153,412	-	3,134,924
Equipment, furniture, and fixtures	2,708,880	277,007	(56,634)	2,929,253
Roads/streets, Curb/gutters, and Driveway approaches	44,296,971	2,887,073	-	47,184,044
Bridges	342,124	62,804	-	404,928
Street lighting	812,003	81,511	-	893,514
Traffic signals	638,792	40,395	-	679,187
Sidewalks	1,898,001	179,620	-	2,077,621
Total Accumulated Depreciation	56,774,094	3,985,274	(56,634)	60,702,734
Capital Assets, Net of Depreciation	\$ 45,989,918	\$ (740,971)	\$ -	\$ 45,248,947

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 34,455
Public safety	73,752
Public works, which includes the depreciation of infrastructure	3,722,553
Parks, recreation, and education	154,514
Total Governmental Activities Depreciation Expense	\$ 3,985,274

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

<b>Water Utility</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 568,259	\$ -	\$ -	\$ 568,259
Intangible plant - organizational costs	319	-	-	319
Construction in progress	103,692	-	-	103,692
Total Capital Assets	672,270	-	-	672,270
Not Being Depreciated				
Capital Assets Being Depreciated:				
Wells and springs	597,507	-	-	597,507
Buildings and systems	1,028,656	-	-	1,028,656
Improvements other than buildings	24,945,895	145,875	-	25,091,770
Machinery and equipment	2,096,333	26,663	(16,219)	2,106,777
Total Capital Assets	28,668,391	172,538	(16,219)	28,824,710
Being Depreciated				
Less Accumulated Depreciation for:				
Wells and springs	219,936	17,327	-	237,263
Buildings and systems	414,422	32,854	-	447,276
Improvements other than buildings	6,355,256	463,915	-	6,819,171
Machinery and equipment	1,089,604	94,418	(12,565)	1,171,457
Total Accumulated Depreciation	8,079,218	608,514	(12,565)	8,675,167
Capital Assets, Net of Depreciation	\$ 21,261,443	\$ (435,976)	\$ (3,654)	\$ 20,821,813

**Sewer Utility**

<b>Sewer Utility</b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 39,604	\$ 347,645	\$ -	\$ 387,249
Capital Assets Being Depreciated:				
Buildings and systems	1,551,199	-	-	1,551,199
Improvements other than buildings	28,776,168	32,893	-	28,811,061
Machinery and equipment	672,729	71,585	-	744,314
Total Capital Assets	31,002,096	104,478	-	31,106,574
Being Depreciated				
Less Accumulated Depreciation for:				
Buildings and systems	355,505	30,863	-	386,368
Improvements other than buildings	10,512,821	579,308	-	11,092,129
Machinery and equipment	440,025	51,801	-	491,826
Total Accumulated Depreciation	11,308,351	661,972	-	11,970,323
Capital Assets, Net of Depreciation	\$ 19,733,349	\$ (209,849)	\$ -	\$ 19,523,500

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

D. CAPITAL ASSETS (cont.)

Stormwater Utility	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 54,774	\$ -	\$ -	\$ 54,774
Capital Assets Being Depreciated:				
Improvements other than buildings	17,179,726	27,722	-	17,207,448
Machinery and equipment	153,834	-	-	153,834
Total Capital Assets	17,333,560	27,722	-	17,361,282
Less Accumulated Depreciation for:				
Improvements other than buildings	5,049,329	352,115	-	5,401,444
Machinery and equipment	156,758	14,920	-	171,678
Total Accumulated Depreciation	5,206,087	367,035	-	5,573,122
Capital Assets, Net of Depreciation	\$ 12,182,247	\$ (339,313)	\$ -	\$ 11,842,934
Total Business-Type Activities	\$ 53,177,039	\$ (985,138)	\$ (3,654)	\$ 52,188,247

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 578,580
Sewer	691,906
Stormwater	367,035
Total Business-Type Activities Depreciation Expense	\$ 1,637,521

The difference between the depreciation expense reported for water on the income statement (\$578,580) and what is reported in the footnote (\$608,514) is related to the depreciation expense allocated to sewer from water on the water meters. The difference between the depreciation expense reported for sewer on the income statement (\$691,906) and what is reported in the footnote (\$661,972) is related to the depreciation expense allocated from water to sewer on the water meters.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

**Interfund Receivables/Payables**  
The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Special revenue – CDA/TIF District #1	\$ 6,752
General	Special revenue – CDA/TIF District #2	1,973
General	Special revenue – TIF District #1	2,010,378
General	Special revenue – Transportation utility	2
General	Special revenue – Room tax	54,964
General	Capital projects – TIF District #1	101,831
General	Enterprise – sewer utility	8,676
General	Enterprise – water utility	455,315
	Sub-Total - Fund Financial Statements	2,639,891
	Less: Elimination to government-wide statements	(2,175,900)
	Total Government-Wide Financial Statements	\$ 463,991
Receivable Fund	Payable Fund	Amount
Governmental activities	Business-type activities	\$ 463,991
Total Government-Wide Financial Statements	Total Government-Wide Financial Statements	\$ 463,991

All of these amounts are due within one year.

The principal purpose of these interfunds is the payment in lieu of taxes ("PILOT") due from the water utility to the general fund (\$455,315) and due from the sewer utility to the general fund (\$8,676), and tax roll collections that were not distributed before year-end. The amounts due from the special revenue funds – TIF District #1 fund (\$2,010,378), CDA/TIF District #1 fund (\$6,752), CDA/TIF District #2 fund (\$1,973) and Transportation Utility fund (\$2) and the capital projects fund – TIF District #1 (\$101,831) to the general fund resulted from expenditures exceeding revenues. Amount due from Room tax (\$54,964) is to close out the fund. Future fees and taxes will be used in 2016 to reimburse the general fund.

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

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 62,854
Sewer utility	Stormwater utility	377,146
Less: Elimination to government-wide statements		(440,000)
Total Statement of Net Position		\$ -
		Amount Not Due Within One Year
		\$ 62,854
		377,146
		\$ 440,000

The principal purpose of the interfund is due to expenditures exceeding revenues.

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

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

Transfers

The following is a schedule of interfund transfers:

General Fund	Transfers In	Transfers Out	Amount	Principal Purpose
			\$ 456,213	Payment in lieu of taxes
			<u>7,778</u>	Payment in lieu of taxes
			<u>463,991</u>	
Debt Service				
	General fund		1,664	Debt service
	Capital Improvements		188,672	Debt service
	Refuse/Recycling		98,516	Debt service
	TIF District #1		512,640	Debt service
	TIF District #2		37,367	Debt service
	CDATIF District #1		5,022,788	Debt service
	CDATIF District #2		244,277	Debt service
	Water utility		1,664	Debt service
	Sewer utility		1,664	Debt service
	Stormwater utility		1,664	Debt service
	Subtotal		<u>6,110,916</u>	

Special Revenue - TIF District #1

Non-major Special Revenue	CDATIF District #1	Operating subsidy	85,072
	TIF District #2	Operating subsidy	1,183
	Room Tax	Operating subsidy	17,893
	General fund	Operating subsidy	29,278
Non-major Capital Projects	Room Tax	Capital Equipment	502,894
	Subtotal		<u>551,248</u>
Sub-Total - Fund Financial Statements			7,211,227
Less: Elimination to government-wide statements			<u>(6,742,244)</u>
Total			<u>\$ 468,983</u>

Transferred From	Transferred To	Amount
Business-type activities	Governmental activities	\$ 468,983
Less: Governmental activities	Business-type activities	
Total Government-Wide Financial Statements		<u>\$ 468,983</u>

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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE IV -- DETAILED NOTES ON ALL FUNDS (cont.)

F. CAPITAL LEASE OBLIGATIONS

The government has entered into lease agreements as lessee for financing the acquisition of public works equipment valued at \$1,495,311. The equipment has a ten-year estimated useful life. In 2016, \$146,972 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year	Governmental Activities
2017	\$ 362,569
2018	281,809
2019	190,143
2020	115,625
2021	68,725
Total minimum lease payments	<u>1,018,871</u>
Less: amount representing interest	<u>(60,407)</u>
Present value of minimum lease payments	<u>\$958,464</u>

G. OPERATING LEASE OBLIGATIONS

The government has entered into lease agreements as lessee for financing the use of public works equipment valued at \$249,700. The equipment has a ten-year estimated useful life. In 2016, the Village paid \$35,293 for rent paid under operating lease obligations. These lease agreements qualify as operating leases for accounting purposes and have been recorded as expenditures in the financial statements.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year	Governmental Activities
2017	\$ 35,293
2018	35,293
2019	35,293
2020	99,800
Total minimum lease payments	<u>205,679</u>
Less: amount representing interest	<u>(18,927)</u>
Present value of minimum lease payments	<u>\$186,752</u>

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS**

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

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation debt	\$ 9,563,364	\$ 2,133,500	\$ 2,132,323	\$ 9,564,541	\$ 2,335,411
Revenue bonds	26,760,000	-	4,090,000	22,670,000	4,335,000
Add (Subtract) Deferred Amount for:					
Discounts	(164,566)	-	(35,796)	(128,770)	(35,408)
Premiums	202	-	61	141	61
Sub-Total	36,159,000	2,133,500	6,166,588	32,105,912	6,635,064
Other Liabilities:					
Vested compensated absences	122,959	170,700	142,531	151,128	-
Capital leases	552,799	694,144	278,479	968,464	336,188
Advances from developers on TIF District letters of credit	1,431,231	-	216,329	1,214,902	-
Total Other Liabilities	2,106,989	854,844	637,339	2,324,494	336,188
Total Governmental Activities Long-Term Liabilities	\$ 38,265,989	\$ 2,988,344	\$ 6,823,927	\$ 34,430,406	\$ 6,971,252

**BUSINESS-TYPE ACTIVITIES**

Bonds and Notes Payable:					
General obligation debt	\$ 576,606	\$ -	\$ 265,050	\$ 313,556	\$ 170,870
Revenue bonds	6,400,000	-	730,000	5,670,000	830,000
Add (Subtract) Deferred Amount for:					
Discounts	(47,559)	-	(5,661)	(41,898)	(5,660)
Sub-Total	6,931,047	-	989,389	5,941,658	995,210
Other Liabilities:					
Vested compensated absences	21,098	28,080	30,048	19,130	-
Total Other Liabilities	21,098	28,080	30,048	19,130	-
Activities Long-Term Liabilities	\$ 6,952,145	\$ 28,080	\$ 1,019,437	\$ 5,960,788	\$ 995,210

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. LONG-TERM OBLIGATIONS (cont.)**

For the governmental activities, accumulated PTO pay is generally liquidated by the general fund. The advances from developers on TIF District letters of credit will be liquidated by the tax increments received in future years that are recorded in the TIF District #1 – Special Revenue Fund.

**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. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Advances from developers on TIF District letters of credit represent shortfall payments made for the difference between the debt service payments required of a developer's project area and the annual property taxes received from the specific development area. Until the tax increment valuation of new growth in the development area is sufficient to cover the debt service payments for the project, the letter of credit from the developer's bank will be drawn upon to make this shortfall payment. Tax increments received in excess of the required debt service payments will be returned to developers in future years.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2016, was \$54,594,275. Total general obligation debt outstanding at year-end was \$9,878,097.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/16
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Debt					
General Obligation Promissory Notes, 2016	10/10/2016	10/10/2021	2.15%	\$ 433,500	\$ 433,500
General Obligation Promissory Notes, Series 2016	4/11/2016	4/11/2019	1.86%	1,700,000	1,700,000
General Obligation Promissory Notes, Series 2013A	9/26/2013	9/26/2023	2.43%	870,000	609,000
Taxable General Obligation Promissory Notes, Series 2013B	9/24/2013	9/24/2021	3.99%	845,000	528,125
Taxable General Obligation Promissory Notes, Series 2010B	12/21/2010	12/1/2020	1.15 – 4.35%	5,400,000	4,165,000
General Obligation Refunding Bonds, Series 2010	11/23/2010	10/1/2017	0.60 – 2.10%	1,750,000	110,000
State Trust Fund Loan, Series 2009	8/21/2009	3/15/2019	4.50%	2,163,431	737,722
General Obligation Promissory Notes, Series 2008	8/11/2008	4/1/2018	3.00 – 4.00%	1,830,000	695,000
General Obligation Promissory Notes, Series 2007	9/6/2007	10/1/2017	3.80 – 4.125%	2,142,700	322,000
General Obligation Corporate Purpose Bonds, Series 2003A	6/15/2003	10/1/2018	2.00 – 3.625%	1,566,451	264,194
Total Governmental Activities – General Obligation Debt				\$ 9,564,541	

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

H. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

BUSINESS-TYPE ACTIVITIES

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/16
General Obligation Refunding Bonds, Series 2010	11/23/2010	10/1/2017	0.80 – 2.10%	\$ 660,000	\$ 35,000
General Obligation Promissory Notes, Series 2007	9/6/2007	10/1/2017	3.80 – 4.125%	282,300	38,000
State Trust Fund Loan, Series 2005	10/17/2005	3/15/2015	4.25%	824,601	114,750
General Obligation Corporate Purpose Bonds, Series 2003A	6/15/2003	10/1/2018	2.00 – 3.625%	293,549	125,806
Total Business-Type Activities – General Obligation Debt				\$ 313,556	\$ 313,556

Debt service requirements to maturity are as follows:

Years	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 2,335,411	\$ 313,926	\$ 2,649,337	\$ 170,870	\$ 11,150	\$ 182,020
2018	2,035,766	238,646	2,274,412	102,741	5,840	108,581
2019	2,847,714	158,081	3,005,795	39,945	1,798	41,743
2020	1,905,825	91,545	1,997,370	-	-	-
2021	265,825	12,219	278,044	-	-	-
2022-2023	174,000	6,431	180,431	-	-	-
Totals	\$ 9,564,541	\$ 820,848	\$ 10,385,389	\$ 313,556	\$ 18,788	\$ 332,344

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

H. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

Revenue bonds for the water, sewer, and stormwater utilities are payable only from revenues derived from the operation of the water utility, sewer utility, or stormwater utility. Revenue bonds for the Weston Community Development Authority are payable from revenues derived from tax increment payments received from TIF District #1 and TIF District #2.

Revenue debt payable at December 31, 2016 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/16
<b>GOVERNMENTAL ACTIVITIES</b>					
Revenue Debt					
Community Development Authority Lease Revenue Bonds, Series 2007B	9/6/2007	10/1/2017	5.70 – 6.10%	\$ 1,325,000	\$ 255,000
Community Development Authority Lease Revenue Bonds, Series 2007A	9/6/2007	10/1/2025	4.25 – 4.625%	2,435,000	2,435,000
Community Development Authority Lease Revenue Bonds, Series 2005C	4/15/2005	10/1/2020	2.80 – 4.65%	920,000	315,000
Community Development Authority Lease Revenue Bonds, Series 2005A	4/15/2005	10/1/2021	3.55 – 4.879%	7,905,000	4,035,000
Community Development Authority Lease Revenue Bonds, Series 2004B	8/9/2004	10/1/2025	3.00 – 4.75%	1,815,000	1,140,000
Community Development Authority Lease Revenue Bonds, Series 2004A	8/9/2004	10/1/2021	3.00 – 5.25%	14,315,000	10,865,000
Community Development Authority Lease Revenue Bonds, Series 2003A	5/22/2003	10/1/2019	3.20 – 4.45%	6,440,000	2,235,000
Community Development Authority Lease Revenue Bonds, Series 2002	12/20/2002	10/1/2018	1.40 – 4.75%	8,065,000	1,390,000
Total Governmental Activities – Revenue Debt				\$ 22,670,000	

BUSINESS-TYPE ACTIVITIES

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/16
Revenue Debt					
Sanitary Sewerage System Revenue Bonds, Series 2008	6/23/2008	3/1/2021	3.25 – 4.10%	\$4,525,000	\$ 2,005,000
Stormwater Revenue Bonds, Series 2007	12/28/2007	10/1/2027	4.00 – 4.375%	3,440,000	2,235,000
Water System Revenue Bonds, Series 2006B	1/1/2006	3/1/2025	3.50 – 4.20%	2,506,000	1,430,000
Total Business-Type Activities – Revenue Debt				\$ 5,670,000	

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

H. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities Revenue Debt		Business-Type Activities Revenue Debt		Total
	Principal	Interest	Principal	Interest	
2017	\$ 4,335,000	\$ 1,053,903	\$ 5,388,903	\$ 220,254	\$ 1,050,254
2018	4,495,000	861,147	5,356,147	186,496	1,061,496
2019	4,270,000	660,735	4,930,735	154,678	859,678
2020	3,645,000	468,883	4,113,883	125,639	870,639
2021	4,030,000	284,170	4,314,170	94,891	874,891
2022-2026	1,895,000	225,888	2,120,888	233,285	1,723,285
2027	-	-	-	10,719	255,719
Totals	\$ 22,670,000	\$ 3,554,726	\$ 26,224,726	\$ 1,025,962	\$ 6,695,962

Other Debt Information

Estimated payments of vested 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.

A statutory mortgage lien upon the Village's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The Village's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES

Governmental Activities Net Position

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

Net Investment in Capital Assets:	
Land	\$ 6,139,048
Right-of-ways	659,475
Construction in progress	65,647
Other capital assets, net of accumulated depreciation	38,384,777
Less: related long-term debt outstanding, discount and premium, and loss net of debt used for utility asset contributions (\$7,729,021)	(825,326,103)
Add: unspent debt proceeds	-
Total Net Investment in Capital Assets	<u>19,922,844</u>
Restricted:	
Community Development Authority – TIF District #1 (debt service reserve)	4,208,713
Community Development Authority – TIF District #2 (debt service reserve)	251,253
Total Restricted	<u>4,459,966</u>
Unrestricted (deficit):	
Total Governmental Activities Net Position – December 31, 2016	<u>\$17,598,523</u>

Governmental Fund Balances

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

Major Funds – Details of Fund Balance:

Nonspendable:

General Fund	
Prepaid items/inventories	\$ 99,016
Due from SAFER	525,182
Advance to Debt Service	62,584
Total Nonspendable	<u>\$ 686,782</u>

Restricted:

Special Revenue Fund – Community Development Authority – TIF District #1 Debt service	\$ 4,208,713
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VILLAGE OF WESTON  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES (cont.)

Governmental Fund Balances (cont.)

Major Funds – Details of Fund Balance (cont.):

<b>Assigned:</b>		
General Fund	\$ 93,756	
Subsequent year's expenditures	7,500	
Public works department – Street lighting / Birch Street	<u>101,256</u>	
Total Assigned		\$ 1,814,804
<b>Unassigned:</b>		
General Fund		(62,864)
Debt Service Fund		<u>(3,700,378)</u>
Special Revenue Fund – TIF District #1		<u>(2,019,838)</u>
Total Unassigned		\$ 251,253
<b>Non-Major Funds – Details of Fund Balance:</b>		
<b>Restricted:</b>		
Special Revenue Fund – Community Development Authority – TIF District #2		\$ 5,596
Debt service		
<b>Committed:</b>		
Special Revenue Fund – Civic and Social		\$ 24,315
<b>Assigned:</b>		
Special Revenue Fund – Aquatic Center		24,195
Special Revenue Fund – Refuse/Recycling		57,235
Special Revenue Fund – Park and Recreation		70,346
Special Revenue Fund – TIF District #2		<u>389,195</u>
Capital Projects Fund – Capital Improvements		<u>565,250</u>
Total Assigned		\$ (71,780)
<b>Unassigned:</b>		
Capital Project Fund – TIF District #1		

VILLAGE OF WESTON  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

J. BUSINESS-TYPE ACTIVITIES NET POSITION

The following calculation supports the enterprise fund net investment in capital assets:

	Water Utility	Sewer Utility	Stormwater Utility	Total
Plant in Service	\$ 29,393,288	\$ 31,106,574	\$ 17,416,056	\$ 77,915,918
Accumulated Depreciation	(8,675,167)	(11,970,323)	(5,573,122)	(26,218,612)
Construction in Progress	103,692	387,249	-	490,941
Sub-Total	<u>20,821,813</u>	<u>19,523,500</u>	<u>11,842,934</u>	<u>52,188,247</u>
<b>Less: Capital Related Debt</b>				
Current portion of capital related long-term debt	228,000	475,000	297,870	1,000,870
Long-term portion of capital related long-term debt	1,240,000	1,530,000	2,212,886	4,982,686
Unamortized loss on refunding	-	(81,914)	(4,832)	(86,746)
Unamortized discounts on bonds	(10,990)	(9,796)	(21,112)	(41,898)
Sub-Total	<u>1,457,010</u>	<u>1,913,290</u>	<u>2,484,612</u>	<u>5,854,912</u>
<b>Add: Unspent Debt Proceeds</b>				
Reserve from borrowing	250,703	561,560	264,165	1,076,428
Reserve from revenue bond construction account	-	567,157	-	567,157
Sub-Total	<u>250,703</u>	<u>1,128,717</u>	<u>264,165</u>	<u>1,643,585</u>
Total Net Investment in Capital Assets	<u>\$ 19,615,506</u>	<u>\$ 18,738,927</u>	<u>\$ 9,622,487</u>	<u>\$ 47,976,920</u>



VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN

Summary of Significant Accounting Policies

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

Accounting Changes. The WRS adopted GASB Statement No. 82, Pension issues, an amendment of GASB No. 67, No. 68, and No. 73 during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the required supplementary information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions. The effect on the Village's beginning net position due to the implementation of GASB Statement No. 82 was deemed to be immaterial. The change was included in current year activity.

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (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 unrecouped 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

The WRS also provides death and disability benefits for employees.

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. Employer 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 ending December 31, 2016, the WRS recognized \$109,817 in contributions from the Village and \$18,243 from the Utilities.

Contributions rates as of December 31, 2016 are:

General	Employee	Employer
Executives and Elected Officials	6.60%	6.60%
Protective with Social Security	6.60%	9.40%
Protective without Social Security	6.60%	13.20%

General Information about the Pension Plan (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	0.80%	3.00%
2007	3.00%	10.00%
2008	6.60%	0.00%
2009	-2.10%	-42.00%
2010	-1.30%	22.00%
2011	-1.20%	11.00%
2012	-7.00%	-7.00%
2013	-9.60%	9.00%
2014	4.70%	25.00%
2015	2.90%	2.00%

Pension Assets, 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 \$190,163 for its proportionate share of the net pension liability. The Utilities reported a liability of \$31,591 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 liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. The Village's proportion of the net pension asset was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

contributions of all participating employers. At December 31, 2015, the Village's proportion was 0.01646/147%, which was a decrease of 0.00105697% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Village recognized pension expense of \$240,319. The Utilities recognized pension expense of \$39,924. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 37,513	\$ 466,676
Changes in Assumptions	155,149	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	907,924	-
Change in Proportion and Differences Between Village Contributions and Disproportionate share of Contributions	47,883	-
Village Contributions Subsequent to the Measurement Date	128,060	-
Total	<u>\$1,276,529</u>	<u>\$ 466,676</u>

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)**

\$109,817 reported as deferred outflows of resources related to pensions resulting from Village contributions and \$18,243 reported as deferred outflows of resources related to pensions resulting from Utilities' contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2016. Other amounts reported related to the Village reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$256,098	\$86,848
2017	256,097	96,847
2018	256,097	96,848
2019	211,663	96,847
2020	4,902	12,803
Total	<u>\$984,857</u>	<u>\$400,193</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

Other amounts reported related to the Utilities reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 42,545	\$16,089
2017	42,545	16,089
2018	42,545	16,089
2019	31,163	16,089
2020	814	2,127
Total	<u>\$163,612</u>	<u>\$66,483</u>

**Actuarial assumptions.** The total pension asset 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 Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair 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 liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION

NOTE V – OTHER INFORMATION (cont.)

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont.)

Core Fund Asset Class	Current Asset Allocation	Destination Target Asset Allocation, %	Long-Term Expected Nominal Rate of Return	
			Allocation	Rate of Return
U.S. Equity	27%	5.3%	7.6%	4.7%
International Equity	24.5%	5.7%	8.5%	5.6%
Fixed Income	27.5%	1.7%	4.4%	1.6%
Inflation Sensitive Assets	10%	2.3%	4.2%	1.4%
Real Estate	7%	4.2%	6.5%	3.6%
Private Equity/Debt	7%	6.9%	9.4%	6.5%
Multi-Asset	4%	4%	6.7%	3.8%
Total Core Fund	107%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equity	70%	70%	7.6%	4.7%
International Equity	30%	30%	8.5%	5.6%
Totals	100%	100%	100%	100%

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 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.10% 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 asset.

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

	1% Decrease (6.20%)	Current (7.20%)	1% Increase (8.20%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,333,805	\$ 190,163	\$ (703,042)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$ 221,581	\$ 31,591	\$ (116,795)

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab> and reference report number 15-11.

Payables to the Pension Plan

At December 31, 2016 the Village reported payables to WRS of \$21,741 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

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 theft of, and damage to, or destruction of assets, and also for torts, errors and omissions, workers compensation, general liability coverage, and health. Settled claims have not exceeded commercial coverage in any of the three preceding years. There were no significant reductions in coverage compared to the prior year. Other risks, such as dental coverage of its employees are accounted for and financed by the Village in an internal service fund—the fringe benefits fund. The Village's self-insured dental insurance program began in November 2002.

C. COMMITMENTS AND CONTINGENCIES

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 grant. Village management believes such disallowances, if any, would be immaterial.

Occasionally, the Village will borrow funds for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the Capital Projects Funds and Enterprise Funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures (in the capital projects funds). The balance of contract amounts plus open purchase orders is classified as a committed fund balance at year-end from which committed resources are used to liquidate the encumbrance.

Funding for the operating budget of the Village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the Village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the Village.

The Town of Weston, now Village of Weston Landfill, was closed in 1986. State and federal laws and regulations require that the Village of Weston perform certain maintenance and monitoring functions at the landfill site. During 1993, the State of Wisconsin Department of Natural Resources issued a conditional approval modifying the landfill closure plan. In 1994, the Town began work on the modified closure, which involves the installation of a composite cap over the landfill with an active gas extraction system within the landfill. The new cover and extraction system were completed in 1995. However, it is anticipated that the Town/Village will be faced with additional clean-up and long-term monitoring costs in the future due to changes in technology and changes in laws and regulations. The future costs of these possible changes are unknown at the present time.

D. LITIGATION

From time to time, the Village becomes party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

E. JOINT VENTURES

*Everest Metro Public Safety*

The Everest Metro Police Department (EMPD) began on October 4, 1993, as a joint venture between the Village of Weston, Town of Weston, and City of Schofield. The communities have also joined together to form the Everest Metro Municipal Court (EMMC). The two departments operate under Everest Metro Public Safety (EMPS). Each municipality pays a proportionate share of the costs for police services and municipal court costs. The police department's current cost proration for 2016 is for the Village of Weston to pay 79.40%, the Town of Weston to pay 4.01%, and the City of Schofield to pay 16.59% of the actual expenditures. The municipal court's current cost proration for 2016 is for the Village of Weston to pay 75.22%, the Town of Weston to pay 1.94%, and the City of Schofield to pay 22.84%. The 2016 difference may be allocated to the municipalities at the same proration in the next year.

Everest Metro Public Safety is overseen by a seven-member finance committee made up of three Village of Weston officials, three City of Schofield officials, and one Town of Weston official. The finance committee approves a budget and controls all financial aspects of the department. A separate seven-member administrative committee (Police Commission) is appointed to control management and policy of the police department.

The Village contributed \$2,369,633 in 2016 for the operations of the EMPD and \$56,751 for EMMC. The Village accounts for its costs of the operation in the general fund and has an equity interest in the organization equal to its percentage share of participation. The EMPS issues separate financial statements available at the Village municipal center offices. A copy of the annual financial statements may be obtained by writing to the Village of Weston, 5500 Schofield Avenue, Weston, WI 54476.

Summarized information for EMPS's year ending December 31, 2016, which are the most recently audited financial statements, is as follows:

<b>Assets</b>		
Current assets	\$ 990,296	
Capital assets, net of depreciation	278,171	
Total assets	<u>\$1,268,467</u>	
<b>Deferred Outflows of Resources</b>		
Proportionate share of WRS pension plan	\$1,256,838	
Pension contributions for subsequent year	182,467	
Total deferred outflows of resources	<u>\$1,439,305</u>	
<b>Liabilities</b>		
Current liabilities	\$ 340,313	
Net pension liability	294,511	
Noncurrent portion of long-term obligations	69,171	
Total liabilities	<u>\$ 704,545</u>	
<b>Deferred Inflows of Resources</b>		
Proportionate share of WRS pension plan	\$ 619,793	
<b>Net Position</b>		
Net investment in capital assets	\$ 278,171	
Unrestricted	1,105,263	
Total net position	<u>\$1,383,434</u>	
<b>Revenue</b>		
Received from Village of Weston	\$2,426,384	
Received from City of Schofield	520,299	
Received from Town of Weston	116,400	
Other revenue	230,955	
Total revenue	<u>3,294,038</u>	
<b>Expenses</b>		
<b>Change in net position</b>	<u>\$ (497,843)</u>	

The financial and payroll administration of the EMPS is performed by the employees of the Village of Weston. In 2016, the EMPD paid the Village \$35,000 for administrative services and \$81,860 for rent.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE V – OTHER INFORMATION (cont.)

E. JOINT VENTURES (cont.)

*South Area Fire & Emergency Response District*

The South Area Fire & Emergency Response District (SAFER) began on January 1, 2014, as a joint venture between the Village of Weston and the Town of Rib Mountain. Each municipality pays a proportionate share of the costs for the services of the SAFER District. The current proration of costs for 2016 is for the Village of Weston to pay 67.57% and the Town of Rib Mountain to pay 32.43% of the SAFER budget.

The department is overseen by a five-member Board of Directors (the Board) made up of the Rib Mountain Town Board Chairperson or his/her designee, the Village of Weston President or his/her designee, one community representative from the Village, one community representative from the Town, and a resident of the areas served by SAFER. The Board approves a budget and controls all financial aspects of the department. A separate five-member administrative committee (Commission) is appointed to control management and policy of the department.

The Village contributed \$1,166,760 in 2016 for the operations of SAFER. The Village accounts for its costs of the operation in the general fund and has an equity interest in the organization equal to its percentage share of participation.

SAFER issues separate financial statements available at the Village municipal center offices. A copy of the annual financial statements may be obtained by writing to the Village of Weston, 5500 Schofield Avenue, Weston, WI 54476.

Summarized information for SAFER's year ending December 31, 2016, which are the most recently audited financial statements, is as follows:

<b>Assets</b>		
Current assets	\$ 624,804	
Capital assets, net of depreciation	2,640,246	
Total assets	<u>\$3,265,050</u>	
<b>Liabilities</b>		
Current liabilities	\$ 645,868	
Noncurrent portion of long-term obligations	36,404	
Total liabilities	<u>\$ 682,272</u>	
<b>Net Position</b>		
Net investment in capital assets	\$2,640,246	
Unrestricted	(57,466)	
Total net position	<u>\$2,582,778</u>	
<b>Revenue</b>		
Received from Village of Weston	\$1,166,760	
Received from Town of Rib Mountain	560,030	
Received from other municipalities	170,254	
Other revenue	1,149,000	
Total revenue	<u>3,046,044</u>	
<b>Expenses</b>		
<b>Change in net position</b>	<u>\$475,964</u>	

The financial and payroll administration of SAFER is performed by the employees of the Village of Weston.

**VILLAGE OF WESTON**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

**NOTE V – OTHER INFORMATION (cont.)**

**F. SUBSEQUENT EVENTS**

Management evaluated subsequent events up to the date the accompanying financial statements were available to be issued.

On July 13, 2017, the Community Development Authority of the Village of Weston issued Community Development Lease Revenue Bonds, Series 2017A in the amount of \$19,255,000 to refund existing debt and fund new development in Tax Increment District #1.

In addition, the Village authorized two capital lease agreements for capital equipment acquisitions during 2017. These capital leases included purchases for a plow truck (\$350,917) and a trackless tractor (\$157,951).

**G. CREATION OF COMMUNITY DEVELOPMENT AUTHORITY AND LEASE COMMITMENTS**

During 2002, the Community Development Authority of the Village of Weston was formed for the purpose of providing public benefits, including the elimination of blight, clearance of undesirable conditions, and the creation of urban renewal and community development programs. The Community Development Authority borrowed \$6,065,000 in 2002, \$7,585,000 in 2003, \$16,130,000 in 2004, \$10,240,000 in 2005, and \$3,760,000 in 2007 to purchase land from the Village. The Village is in turn leasing the same land from the Community Development Authority with rental payments being equal to the annual amount of principal and interest due on the borrowing. It is anticipated that over the life of the revenue bonds, the tax increments generated from Tax Incremental Financing (TIF) District #1 and District #2 will be used to repay the revenue bonds and reduce future rental payments due from the Village. The lease expires in 2025 for TIF District #1 and in 2025 for TIF District #2. The future minimum lease payments under this lease are as follows:

Years	TIF #1		TIF #2		Grand Total
	District	Total	District	Total	
2017	\$5,141,770		\$247,133		\$5,388,903
2018	5,111,815		244,333		5,356,148
2019	4,684,655		246,080		4,930,735
2020	3,866,698		247,185		4,113,883
2021	4,156,458		157,838		4,314,296
2022 and thereafter	1,847,250		633,638		2,480,888
Total	<u>\$24,808,646</u>		<u>\$1,776,207</u>		<u>\$26,584,853</u>

The rental expense for the year ended December 31, 2016, was \$5,022,788 for TIF District #1 and \$244,277 for TIF District #2.

**REQUIRED SUPPLEMENTARY INFORMATION**

This information is an integral part of the accompanying basic financial statements.

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION  
NET PENSION ASSET  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
For the Year Ended December 31, 2016

Year	Required Contributions	Contributions Made	Contribution Deficiency (Excess)	Total Covered Payroll	Contributions as a percentage of Payroll
2014	\$ 147,360	\$ 147,360	\$ -	\$ 2,005,535	7.35%
2015	152,227	152,227	-	2,107,841	7.22%

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION  
NET PENSION ASSET  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
For the Year Ended December 31, 2016

Fiscal Year Ending	Proportion of Net Pension Liability (Asset)	Beginning Balance of Net Pension Liability (Asset)	Ending Balance on Net Pension Liability (Asset)	Total Covered Payroll	Ending Net Pension Asset as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
2014	0.01751844%	\$ (761,241)	\$ (430,301)	\$ 2,005,535	21.46%	102.74%
2015	0.01646147%	(430,301)	221,754	2,107,841	12.69%	98.20%

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The EMPS implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2016. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

# MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

## GENERAL FUND

The General Fund is the general operating fund of the Village. This fund accounts for the financial resources of the Village that are not accounted for in any other fund. Principal sources of revenue are property taxes, state transportation aids, and state shared revenues. Primary expenditures are for police protection, fire protection, public works, maintenance of parks, and general administration.

## VILLAGE OF WESTON

### GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>TAXES</b>				
General property taxes	\$3,406,514	\$ 3,406,514	\$3,406,514	-
Mobile home taxes	36,000	36,000	44,460	8,460
Other tax revenue	2,040	2,040	4,776	2,736
Utility tax - Village of Rothschild	113,660	113,660	97,834	(15,826)
Total Taxes	3,558,214	3,558,214	3,553,584	(4,630)
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	1,030,977	1,030,977	1,055,472	24,495
Highway maintenance aids	737,065	737,065	737,063	(2)
Fire insurance tax	37,100	37,100	40,608	3,508
Act 102 EMS	7,300	7,300	7,297	(3)
Other state and federal grants	130,464	130,464	133,712	3,248
Total Intergovernmental Revenues	1,942,906	1,942,906	1,974,152	31,246
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	13,000	13,000	17,933	4,933
Cable franchise	170,000	170,000	173,110	3,110
Operators/amusement	1,400	1,400	1,220	(180)
Cigarette	1,500	1,500	1,200	(300)
Sundry	38,415	38,415	41,004	2,589
Pets - dogs and cats	20,125	20,125	22,860	2,735
Permits				
Building & electrical	111,010	111,010	147,669	36,659
Zoning	5,160	5,160	2,875	(2,285)
Road excavation	1,800	1,800	2,575	775
Sundry	4,600	4,600	880	(3,720)
Total Licenses and Permits	367,010	367,010	411,326	44,316
<b>FINES AND FORFEITURES</b>	106,550	106,550	97,626	(8,924)
<b>SPECIAL ASSESSMENTS</b>	5,000	5,000	5,660	660

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
General government	\$ 14,680	\$ 14,680	\$ 13,814	\$ (866)
Police	35,000	35,000	35,000	-
Ambulance/EMS	-	-	3,970	3,970
Inspection services	3,300	3,300	-	(3,300)
Highways and streets	46,150	46,150	35,090	(11,060)
Rental of village property	5,020	5,020	5,430	410
Park and recreation	5,580	5,580	15,095	9,515
Economic development	100	100	-	(100)
Total Charges for Services	109,830	109,830	108,399	(1,431)
<b>CONTRIBUTIONS AND DONATIONS</b>	775	775	633	(142)
<b>INVESTMENT EARNINGS AND MISCELLANEOUS</b>				
Investment earnings	55,000	55,000	71,297	16,297
Insurance recoveries	6,000	6,000	11,873	5,873
Miscellaneous general revenues	7,100	7,100	32,030	24,930
Total Investment Earnings and Miscellaneous	68,100	68,100	115,200	47,100
Total Revenues	6,158,385	6,158,385	6,266,580	108,195
<b>OTHER FINANCING SOURCES</b>				
Transfers from				
Water utility fund - payment in lieu of taxes	486,070	486,070	456,213	(29,857)
Sewer utility fund - payment in lieu of taxes	-	-	7,778	7,778
Total Transfers	486,070	486,070	463,991	(22,079)
Sale of village properties	2,000	2,000	-	(2,000)
Total Other Financing Sources	488,070	488,070	463,991	(24,079)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$6,646,455</b>	<b>\$ 6,646,455</b>	<b>\$6,730,571</b>	<b>\$ 84,116</b>

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Village board	\$ 40,840	\$ 41,340	\$ 41,283	\$ 57
Village board retreat	500	-	-	500
Village municipality dues/memberships	5,700	5,700	5,249	451
Administrator	90,180	95,020	77,723	17,297
Clerk's office	159,540	165,910	159,344	6,566
Personnel/human resources	58,150	58,150	76,575	(18,425)
Elections	34,300	43,300	54,046	(10,746)
Municipal court	56,346	56,751	56,751	-
Village attorney	40,320	30,320	33,011	(2,691)
Village assessor	30,980	31,280	26,806	4,474
Finance/audit and budget	144,190	166,810	168,465	(1,655)
Tax collection	16,680	16,680	12,242	4,448
Risk management/insurance	78,180	78,180	60,254	17,926
Data processing/central services	144,960	154,460	149,625	4,835
Information technology	60,680	63,260	68,931	(5,671)
Board of review	400	400	268	132
Finance committee	3,254	3,254	1,054	2,200
Personnel committee	3,216	3,216	906	2,310
Municipal building	63,550	63,550	45,225	18,325
Tax refunds	2,000	2,000	1,027	973
Capital outlay - General Government	23,000	41,769	37,978	3,791
Total General Government	1,056,976	1,121,360	1,076,763	44,597
<b>PUBLIC SAFETY</b>				
Police department				
Administration/operations	2,309,016	2,309,016	2,309,016	-
Building rent payment	60,617	60,617	60,617	-
Fire department				
Administration/operations - Village SAFER District	569,010	576,175	575,523	652
Public safety building maintenance	997	8,755	7,916	839
Public safety committee	2,160	2,160	1,148	1,012
Public safety warning sirens	2,600	2,600	2,345	255
Building inspections	156,640	156,640	151,200	5,440
Weights and measures	3,400	3,400	3,200	200
Total Public Safety	3,104,440	3,119,563	3,110,965	8,598

See accompanying notes to required supplementary information.



**VILLAGE OF WESTON**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>PUBLIC WORKS</b>				
Administration	\$ 33,829	\$ 33,925	\$ 32,559	1,366
Engineering	33,236	36,744	35,077	1,667
Road and street maintenance	1,085,547	1,085,063	1,162,106	(77,043)
Street irrigation maintenance	36,028	31,441	34,743	(3,302)
Snow and ice control	367,340	344,279	326,813	17,466
Street lighting	202,500	202,500	206,838	(4,338)
Street sweeping	18,900	18,844	19,545	(701)
Traffic control	38,000	38,000	22,374	15,626
Mowing	24,416	24,416	27,452	(3,036)
Public infrastructure committee	1,230	1,230	432	798
Capital outlay - Public Works	2,750	2,750	697	2,053
Total Public Works	<u>1,843,776</u>	<u>1,819,192</u>	<u>1,868,636</u>	<u>(49,444)</u>

**HEALTH AND HUMAN SERVICES**

County humane animal shelter	14,520	14,520	13,968	552
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**PARKS, RECREATION, AND EDUCATION**

Administration	225,806	229,737	226,196	3,541
Park maintenance	75,735	109,494	111,133	(1,639)
Ice rinks	7,446	7,446	4,066	3,380
Parks and recreation committee	1,927	1,927	818	1,109
Total Parks, Recreation, and Education	<u>310,914</u>	<u>348,604</u>	<u>342,213</u>	<u>6,391</u>

**COMMUNITY DEVELOPMENT**

Administration	155,554	160,240	161,934	(1,694)
Planning commission	8,250	8,250	4,862	3,388
Board of appeals	2,800	2,800	159	2,641
Extrajurisdictional limits committee	1,344	1,344	1,342	2
Smart growth/Land use	35,626	35,626	20,509	15,117
Taxpayer relations	128,720	107,100	109,648	(2,548)
Farmers market	4,050	4,050	4,654	(604)
Village newsletter	38,200	38,200	38,618	(418)
Capital outlay - Community Development	500	500	700	(200)
Total Community Development	<u>375,044</u>	<u>358,110</u>	<u>342,426</u>	<u>15,684</u>

See accompanying notes to required supplementary information.

**VILLAGE OF WESTON**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OTHER</b>				
Contingency reserve	\$ 100,660	\$ 25,181	\$ -	\$ 25,181
Total Other	<u>100,660</u>	<u>25,181</u>	<u>-</u>	<u>25,181</u>
Total Expenditures	6,806,330	6,806,330	6,754,971	51,359
<b>OTHER FINANCING USES</b>				
Transfers To	-	-	1,664	(1,664)
Debt service	-	-	29,266	(416)
Refuse / recycling	28,850	28,850	-	28,850
Transportation utility	-	-	12	(12)
Total Other Financing Uses	<u>28,850</u>	<u>28,850</u>	<u>30,942</u>	<u>(2,092)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,835,180</u>	<u>\$ 6,835,180</u>	<u>\$ 6,785,913</u>	<u>\$ 49,267</u>

See accompanying notes to required supplementary information.

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Included in the Major Governmental Funds are:

**TAX INCREMENTAL FINANCING (TIF) DISTRICT #1**

To account for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #1. This district includes the Weston Business/Technology Park and the Putnam Corporate Park Development. The district was created in 1998.

**COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #1**

To account for the receipt of Community Development Authority (CDA) Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. These proceeds are then transferred out to the Tax Incremental Financing (TIF) District #1 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

**VILLAGE OF WESTON**

**TIF DISTRICT #1 - SPECIAL REVENUE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,670,630	\$ 4,670,630	\$ 4,671,796	\$ 1,166
Intergovernmental	72,200	72,200	78,111	5,911
Special assessments	37,822	37,822	89,117	51,295
Investment earnings and miscellaneous	8,000	8,000	6,965	(1,035)
Total Revenues	<u>4,788,652</u>	<u>4,788,652</u>	<u>4,845,989</u>	<u>57,337</u>
<b>EXPENDITURES</b>				
Current				
Community development	5,153,077	5,153,077	5,140,363	12,714
Debt service				
Principal retirement	46,424	46,424	-	46,424
Interest and fiscal charges	-	-	5,402	(5,402)
Total Expenditures	<u>5,199,501</u>	<u>5,199,501</u>	<u>5,145,765</u>	<u>53,736</u>
Deficiency of revenues over expenditures	<u>(410,849)</u>	<u>(410,849)</u>	<u>(299,776)</u>	<u>111,073</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	69,075	69,075	85,072	15,997
Transfers out	(512,554)	(512,554)	(512,640)	(86)
Total Other Financing Sources (Uses)	<u>(443,479)</u>	<u>(443,479)</u>	<u>(427,568)</u>	<u>15,911</u>
Net Change in Fund Balance	(854,328)	(854,328)	(727,344)	126,984
FUND BALANCE (DEFICIT) - Beginning	(2,973,034)	(2,973,034)	(2,973,034)	-
FUND BALANCE (DEFICIT) - Ending	<u>\$ (3,827,362)</u>	<u>\$ (3,827,362)</u>	<u>\$ (3,700,378)</u>	<u>\$ 126,984</u>

VILLAGE OF WESTON

COMMUNITY DEVELOPMENT AUTHORITY-TIF DISTRICT #1 - SPECIAL REVENUE FUND (MAJOR FUND)  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,022,788	\$ 5,022,788	\$ 5,022,788	\$ -
Investment earnings and miscellaneous	75,000	75,000	90,591	15,591
Total Revenues	5,097,788	5,097,788	5,113,379	15,591
<b>EXPENDITURES</b>				
Current				
Community development	3,247	3,247	2,844	403
Debt service				
Interest and fiscal charges	2,678	2,678	2,678	-
Total Expenditures	5,925	5,925	5,522	403
Excess of revenues over expenditures	5,091,863	5,091,863	5,107,857	15,994
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(5,091,863)	(5,091,863)	(5,107,860)	(15,997)
Net Change in Fund Balance	-	-	(3)	(3)
FUND BALANCE - Beginning	4,208,716	4,208,716	4,208,716	-
FUND BALANCE - Ending	\$ 4,208,716	\$ 4,208,716	\$ 4,208,713	\$ (3)

VILLAGE OF WESTON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2016

**BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

General Fund	Final Amended Budget	Actual Expenditures	Excess
Personnel/human resources	\$ 58,150	\$ 76,575	\$ 18,425
Elections	43,300	54,046	10,746
Village attorney	30,320	33,011	2,691
Finance/audit and budget	166,810	168,465	1,655
Information technology	63,260	68,931	5,671
Public works department	1,819,192	1,868,636	49,444

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

***DEBT SERVICE FUND***

The Debt Service Fund is used to account for the accumulation of resources used for the payment of general obligation bonds and notes issued by the Village of Weston, payment of revenue bonds for Tax Incremental Financing (TIF) Districts #1 and #2 issued by the Village of Weston, and payment of lease revenue bonds for Tax Incremental Financing (TIF) Districts #1 and #2 issued by the Community Development Authority on behalf of the Village of Weston. Financing for the debt service fund is primarily provided from general property taxes, special assessments, charges for services, and transfers from TIF Districts #1 and #2.

**SUPPLEMENTARY INFORMATION**

VILLAGE OF WESTON

DEBT SERVICE FUND (MAJOR FUND)  
BALANCE SHEET  
December 31, 2016

<b>ASSETS</b>	Debt Service Fund
<b>CASH AND INVESTMENTS</b>	\$ 534,585
<b>RECEIVABLES</b>	1,098,157
Taxes	289,479
Special assessments	24,015
Intergovernmental receivables	1,411,651
Total Receivables	1,411,651
<b>TOTAL ASSETS</b>	<u>\$ 1,946,236</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
<b>LIABILITIES</b>	\$ 62,584
Advance from General Fund	62,584
Total Liabilities	62,584
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 1,656,757
Succeeding year's property taxes	289,479
Special assessments	1,946,236
Total Deferred Inflows of Resources	1,946,236
<b>FUND BALANCE</b>	(62,584)
Unrestricted (deficit)	(62,584)
Total Fund Balance	(62,584)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 1,946,236</u>

VILLAGE OF WESTON

DEBT SERVICE FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ -
Intergovernmental	28,661	28,661	33,605	4,944
Special assessments	102,700	102,700	126,174	23,474
Charges for services	81,860	81,860	81,860	-
Investment earnings and miscellaneous	17,800	17,800	17,791	(9)
Total Revenues	<u>1,781,021</u>	<u>1,781,021</u>	<u>1,809,430</u>	<u>28,409</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	6,222,448	6,500,927	6,500,802	125
Interest and fiscal charges	1,578,192	1,609,717	1,609,962	(245)
Bond issuance costs	3,000	3,000	507	2,493
Total Expenditures	<u>7,803,640</u>	<u>8,113,644</u>	<u>8,111,271</u>	<u>2,373</u>
Deficiency of revenues over expenditures	<u>(6,022,619)</u>	<u>(6,332,623)</u>	<u>(6,301,841)</u>	<u>30,782</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,816,988	6,110,832	6,110,916	84
Net Change in Fund Balance	(205,631)	(221,791)	(190,925)	30,866
FUND BALANCE - Beginning	128,341	128,341	128,341	-
FUND BALANCE (DEFICIT) - Ending	<u>\$ (77,290)</u>	<u>\$ (93,450)</u>	<u>\$ (62,584)</u>	<u>\$ 30,866</u>

**MAJOR GOVERNMENTAL FUNDS AND  
BUDGETARY COMPARISONS**

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds). Resources are derived from general obligation bond and note issues, revenue bond issues, certain state grants, tax incremental financing district land sales, and other specific receipts.

Included in the Major Governmental Funds are:

**CAPITAL IMPROVEMENTS**

To account for the construction of new streets, sidewalks, and curb/gutters, and for major improvements to existing streets that are designated in the Village's annual Capital Improvements Program. The primary financial resources of this fund are proceeds of general obligation debt and special assessments assessed to benefited property owners. This fund is also used to account for the financing and acquisition of certain equipment for the Public Works, Parks & Recreation, and Fire Departments as designated in the Village's annual Capital Improvements Program.

**OTHER MAJOR FUNDS**

**VILLAGE OF WESTON**

**CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND (MAJOR FUND)  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 93,326	\$ 93,326	\$ 93,326	\$ -
Intergovernmental	-	332,794	332,794	-
Charges for services	120,000	120,000	93,855	(26,145)
Investment earnings and miscellaneous	-	-	12,674	12,674
Total Revenues	<u>213,326</u>	<u>546,120</u>	<u>532,649</u>	<u>(13,471)</u>
<b>EXPENDITURES</b>				
Capital improvements	965,793	3,688,755	3,612,100	76,655
Deficiency of revenues over expenditures	<u>(752,467)</u>	<u>(3,142,635)</u>	<u>(3,079,451)</u>	<u>63,184</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	2,133,500	2,133,500	-
Capital leases	433,562	684,207	684,144	(63)
Transfers in	466,591	466,591	502,894	36,303
Transfers out	(115,714)	(222,697)	(188,672)	34,025
Sale of village properties	40,000	40,000	29,380	(10,620)
Total Other Financing Sources (Uses)	<u>824,439</u>	<u>3,101,601</u>	<u>3,161,246</u>	<u>59,645</u>
Net Change in Fund Balance	71,972	(41,034)	81,795	122,829
FUND BALANCE - Beginning	307,400	307,400	307,400	-
FUND BALANCE - Ending	<u>\$ 379,372</u>	<u>\$ 266,366</u>	<u>\$ 389,195</u>	<u>\$ 122,829</u>

**NONMAJOR GOVERNMENTAL FUNDS**

## NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds from specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**REFUSE/RECYCLING**

To account for the receipt of State grant, user fees, and the corresponding program expenditures for the Village's refuse and recycling program.

**TAX INCREMENTAL FINANCING (TIF) DISTRICT #2**

To account for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for Tax Incremental Financing District #2. This district includes the Schofield Avenue Business Corridor Area between STH Business 51 and Birch Street. The district was created in 2004.

**COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #2**

To account for the receipt of Community Development Authority (CDA) Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. These proceeds are then transferred out to the Tax Incremental Financing (TIF) District #2 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

**AQUATIC CENTER**

To account for the receipt of program revenues and other revenues and corresponding program expenditures for the Weston Aquatic Center.

**ROOM TAXES**

To account for the receipt of hotel/motel room taxes and corresponding program expenditures in the areas of recreation, promotion, and tourism.

**TRANSPORTATION UTILITY**

To account for the receipt of fees to be used for operation and maintenance of the transportation system.

**CIVIC AND SOCIAL**

To account for monies received from private donations to finance the future Weston Tri-Centennial Celebration and to provide scholarships to Weston residents (from the Weston Centennial Homecoming Fund) that are D.C. Everest Senior High School graduates and are enrolling in a college curriculum. In addition, the Everest Men Respect Program is financed from private donations in this fund.

**PARK AND RECREATION**

To account for monies received from private donations and private developers to finance future parkland acquisitions, specific park/recreation projects, and specific trail system improvements.

## NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

### CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds and trust funds). Resources are derived from general obligation bond and note issues, revenue bond issues, certain state grants, tax incremental financing district land sales, and other specific receipts.

Included in the Non-Major Governmental Funds are:

**TAX INCREMENTAL FINANCING (TIF) DISTRICT #1**

To account for the financing and project costs for public improvement and private development within the area of TIF District #1 as provided for in the Tax District's project plan. The primary financial resources of this fund are proceeds of general obligation and revenue bond debt and TIF land sales. This district includes the Weston Business/Technology Park and the Putnam Corporate Park Development, which includes the St. Clare's Hospital/Marshfield Clinic medical complex. The district was created in 1998.



VILLAGE OF WESTON

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
December 31, 2016

	Special Revenue Funds			Aquatic Center
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2	
<b>CASH AND INVESTMENTS</b>	\$ 75,266	\$ 214,094	\$ 2,884	\$ 27,105
<b>RECEIVABLES</b>				
Taxes	753,358	254,987	-	40,000
Intergovernmental receivables	-	-	-	-
Accrued interest	-	2,048	-	-
Other	-	-	-	-
Total Receivables	753,358	254,987	2,048	40,000
<b>PREPAID ITEMS</b>	-	-	-	60
<b>RESTRICTED CASH AND INVESTMENTS</b>	-	-	248,368	-
TOTAL ASSETS	\$ 828,624	\$ 469,081	\$ 253,300	\$ 67,165

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

<b>LIABILITIES</b>	\$ 51,369	\$ 75	\$ 74	\$ 2,290
Accounts payable	-	-	1,973	-
Due to other funds	-	-	-	560
Unearned revenue	-	-	-	2,850
Total Liabilities	51,369	75	2,047	2,850
<b>DEFERRED INFLOWS OF RESOURCES</b>	753,060	398,660	-	40,000
Succeeding year's property taxes	753,060	398,660	-	40,000
Total deferred inflows of resources	753,060	398,660	-	40,000
<b>FUND BALANCES (DEFICIT)</b>	-	-	251,253	-
Restricted	-	-	-	-
Committed	24,195	70,346	-	24,315
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	24,195	70,346	251,253	24,315
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 828,624	\$ 469,081	\$ 253,300	\$ 67,165

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Room Taxes	Transportation Utility	Civic and Social	Park and Recreation	TIF District #1		
\$ -	\$ -	\$ -	\$ 5,592	\$ 57,235	\$ -	\$ -	\$ 382,176
-	2	-	-	-	-	-	1,048,347
-	-	-	-	-	34,978	-	34,978
-	-	4	-	-	-	-	2,052
88,112	-	-	-	-	2,001	-	90,113
88,112	2	4	-	-	36,979	-	1,175,490
-	-	-	-	-	-	-	60
-	-	-	-	-	-	-	248,368
\$ 88,112	\$ 2	\$ 5,596	\$ 57,235	\$ 36,979	\$ -	\$ -	\$ 1,806,094

\$ 33,148	\$ -	\$ -	\$ -	\$ 6,928	\$ -	\$ -	\$ 93,884
54,964	2	-	-	-	101,831	-	158,770
-	-	-	-	-	-	-	560
88,112	2	-	-	-	108,759	-	253,214
-	-	-	-	-	-	-	1,191,720
-	-	-	-	-	-	-	1,191,720
-	-	-	-	-	-	-	251,253
-	-	5,596	-	-	-	-	5,596
-	-	-	57,235	-	-	-	176,091
-	-	-	-	-	(71,780)	-	(71,780)
-	-	5,596	57,235	(71,780)	(71,780)	-	361,160
\$ 88,112	\$ 2	\$ 5,596	\$ 57,235	\$ 36,979	\$ -	\$ -	\$ 1,806,094

VILLAGE OF WESTON

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

	Special Revenue Funds				Comm. Dev. Authority - TIF District #2	Aquatic Center
	Refuse / Recycling	TIF District #2	TIF District #2			
<b>REVENUES</b>						
Taxes	\$ -	\$ 338,243	\$ -	\$ -	\$ 40,000	
Intergovernmental	78,736	11,315	-	-	-	
Charges for services	743,862	-	244,277	-	130,959	
Contributions and donations	-	-	-	-	-	
Investment earnings and miscellaneous	-	321	-	1,384	9,907	
Total Revenues	822,598	349,879	245,661	-	180,866	
<b>EXPENDITURES</b>						
Current						
Public works	752,046	-	-	-	-	
Parks, recreation, and education	-	-	-	-	199,260	
Community development	-	272,670	1,644	-	-	
Capital improvements	-	-	-	-	-	
Debt service	-	-	-	-	-	
Interest and fiscal charges	-	-	926	-	-	
Total Expenditures	752,046	272,670	2,570	-	199,260	
Excess (deficiency) of revenues over expenditures	70,552	77,209	243,091	-	(18,394)	
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds/notes issued	-	-	-	-	-	
Capital leases	-	-	-	-	-	
Transfers in	29,266	-	1,183	-	17,893	
Transfers out	(98,516)	(38,550)	(244,277)	-	-	
Sale of village properties	(69,250)	(38,550)	(243,094)	-	17,893	
Total Other Financing Sources (Uses)	1,302	38,659	(3)	(3)	(501)	
Net Change in Fund Balances	22,893	31,687	251,256	-	24,816	
FUND BALANCES - Beginning	\$ 24,195	\$ 70,346	\$ 251,253	\$ -	\$ 24,315	
FUND BALANCES (DEFICIT) - Ending						

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Room Taxes	Transportation Utility	Civic and Social	Park and Recreation		
	\$ 389,742	-	-	-	\$ -	\$ 767,985
	-	-	-	-	34,978	125,029
	-	-	-	-	-	1,120,074
	-	-	-	525	-	525
	-	-	36	308	-	11,956
	389,742	-	36	1,809	34,978	2,025,569
	-	12	-	-	-	752,058
	30,051	-	-	796	-	230,107
	147,395	-	-	-	121,136	421,709
	-	-	-	-	-	121,136
	177,446	12	-	796	121,136	1,525,936
	212,296	(12)	36	1,013	(86,158)	499,633
	-	-	-	-	-	-
	-	12	-	-	-	48,354
	(520,787)	-	-	-	-	(902,130)
	(520,787)	12	-	-	-	(853,776)
	(308,491)	-	36	1,013	(86,158)	(354,143)
	308,491	-	5,560	56,222	14,378	715,303
	\$ -	\$ -	\$ 5,596	\$ 57,235	\$ (71,780)	\$ 361,160

VILLAGE OF WESTON

REFUSE / RECYCLING - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 62,160	\$ 62,160	\$ 78,736	\$ 16,576
Charges for services	744,950	744,950	743,862	(1,088)
Total Revenues	807,110	807,110	822,598	15,488
<b>EXPENDITURES</b>				
Current				
Public works	852,471	852,471	752,046	100,425
Excess (deficiency) of revenues over expenditures	(45,361)	(45,361)	70,552	115,913
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,850	28,850	29,266	416
Transfers out	-	-	(98,516)	(98,516)
Total Other Financing Sources (Uses)	28,850	28,850	(69,250)	(98,100)
Net Change in Fund Balance	(16,511)	(16,511)	1,302	17,813
FUND BALANCE - Beginning	22,893	22,893	22,893	-
FUND BALANCE - Ending	\$ 6,382	\$ 6,382	\$ 24,195	\$ 17,813

VILLAGE OF WESTON

TIF DISTRICT #2 - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 338,159	\$ 338,159	\$ 338,243	\$ 84
Intergovernmental	11,312	11,312	11,315	3
Investment earnings and miscellaneous	50	50	321	271
Total Revenues	349,521	349,521	349,879	358
<b>EXPENDITURES</b>				
Current				
Community development	271,681	271,681	272,670	(989)
Excess of revenues over expenditures	77,840	77,840	77,209	(631)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	177	177	-	(177)
Transfers out	(37,368)	(37,368)	(38,550)	(1,182)
Total Other Financing Sources (Uses)	(37,191)	(37,191)	(38,550)	(1,359)
Net Change in Fund Balance	40,649	40,649	38,659	(1,990)
FUND BALANCE - Beginning	31,687	31,687	31,687	-
FUND BALANCE - Ending	\$ 72,336	\$ 72,336	\$ 70,346	\$ (1,990)

VILLAGE OF WESTON

COMMUNITY DEVELOPMENT AUTHORITY-TIF DISTRICT #2 - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 244,278	\$ 244,278	\$ 244,277	\$ (1)
Investment earnings and miscellaneous	3,500	3,500	1,384	(2,116)
Total Revenues	247,778	247,778	245,661	(2,117)
<b>EXPENDITURES</b>				
Current				
Community development	2,397	2,397	1,644	753
Debt service				
Interest and fiscal charges	926	926	926	-
Total Expenditures	3,323	3,323	2,570	753
Excess of revenues over expenditures	244,455	244,455	243,091	(1,364)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,183	1,183
Transfers out	(244,455)	(244,455)	(244,277)	178
Total Other Financing Sources (Uses)	(244,455)	(244,455)	(243,094)	1,361
Net Change in Fund Balance	-	-	(3)	(3)
FUND BALANCE - Beginning	251,256	251,256	251,256	-
FUND BALANCE - Ending	\$ 251,256	\$ 251,256	\$ 251,253	\$ (3)

VILLAGE OF WESTON

AQUATIC CENTER - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Intergovernmental	-	-	-	-
Charges for services	129,680	129,680	130,959	1,279
Investment earnings and miscellaneous	10,560	10,560	9,907	(653)
Total Revenues	180,240	180,240	180,866	626
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	209,388	209,388	199,260	10,128
Excess (deficiency) of revenues over expenditures	(29,148)	(29,148)	(18,394)	10,754
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	17,893	17,893	17,893	-
Net Change in Fund Balance	(11,255)	(11,255)	(501)	10,754
FUND BALANCE - Beginning	24,816	24,816	24,816	-
FUND BALANCE - Ending	\$ 13,561	\$ 13,561	\$ 24,315	\$ 10,754

**VILLAGE OF WESTON**

ROOM TAXES - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 342,776	\$ 342,776	\$ 389,742	\$ 46,966
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	32,000	32,000	30,051	1,949
Community development	128,891	128,891	147,395	(18,504)
Total Expenditures	160,891	160,891	177,446	(16,555)
Excess of revenues over expenditures	181,885	181,885	212,296	30,411
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(476,591)	(476,591)	(520,787)	(44,196)
Net Change in Fund Balance	(294,706)	(294,706)	(308,491)	(13,785)
FUND BALANCE - Beginning	308,491	308,491	308,491	-
FUND BALANCE - Ending	\$ 13,785	\$ 13,785	\$ -	\$ (13,785)

**VILLAGE OF WESTON**

TRANSPORTATION UTILITY - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current				
Public works	-	-	12	(12)
Deficiency of revenues over expenditures	-	-	(12)	(12)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	12	12
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE - Ending	\$ -	\$ -	\$ -	\$ -

VILLAGE OF WESTON

CIVIC AND SOCIAL - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Investment earnings and miscellaneous	\$ 50	\$ 50	\$ 36	\$ (14)
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	-	-	-	-
Net Change in Fund Balance	50	50	36	(14)
FUND BALANCE - Beginning	5,560	5,560	5,560	-
FUND BALANCE - Ending	\$ 5,610	\$ 5,610	\$ 5,596	\$ (14)

VILLAGE OF WESTON

PARK AND RECREATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 500	\$ 500	\$ 976	\$ 476
Contributions and donations	150	150	525	375
Investment earnings and miscellaneous	200	200	308	108
Total Revenues	850	850	1,809	959
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	900	900	796	104
Net Change in Fund Balance	(50)	(50)	1,013	1,063
FUND BALANCE - Beginning	56,222	56,222	56,222	-
FUND BALANCE - Ending	\$ 56,172	\$ 56,172	\$ 57,235	\$ 1,063

**VILLAGE OF WESTON**

TIF DISTRICT #1 - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 34,978	\$ 34,978
Investment earnings and miscellaneous	3,800	3,800	-	(3,800)
Total Revenues	<u>3,800</u>	<u>3,800</u>	<u>34,978</u>	<u>31,178</u>
<b>EXPENDITURES</b>				
Capital improvements	232,000	232,000	121,136	110,864
Deficiency of revenues over expenditures	<u>(228,200)</u>	<u>(228,200)</u>	<u>(86,158)</u>	<u>142,042</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of village properties	100,000	100,000	-	(100,000)
Net Change in Fund Balance	<u>(128,200)</u>	<u>(128,200)</u>	<u>(86,158)</u>	<u>42,042</u>
FUND BALANCE - Beginning	14,378	14,378	14,378	-
FUND BALANCE (DEFICIT) - Ending	<u>\$ (113,822)</u>	<u>\$ (113,822)</u>	<u>\$ (71,780)</u>	<u>\$ 42,042</u>

**OTHER INFORMATION**

VILLAGE OF WESTON

PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS  
Beginning of Project to December 31, 2016

SUPPLEMENTARY INFORMATION

ENTERPRISE FUNDS

TIF DISTRICT #1 FUND

<b>TOTAL AUTHORIZATIONS</b>	\$ 54,855,846
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental revenues	\$ 2,595,000
Charges for services	252,800
Fines and forfeitures	25,000
Investment earnings and miscellaneous	1,068,265
Bonds/notes issued	16,986,975
Transfers in	29,929,464
Sale of village properties	4,011,632
Net decrease in the fair value of investments	(13,290)
Total Revenues and Other Financing Sources	<u>\$ 54,855,846</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 54,116,967
Bond issuance costs	2,000
Discounts on bonds/notes issued	942
Transfers out	807,717
Total Expenditures and Other Financing Uses	<u>\$ 54,927,626</u>
FUND BALANCE - December 31, 2016	<u>\$ (71,780)</u>

TIF DISTRICT #2 FUND

<b>TOTAL AUTHORIZATIONS</b>	\$ 3,132,406
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Investment earnings and miscellaneous	\$ 55,078
Bonds/notes issued	850,800
Transfers in	2,226,528
Total Revenues and Other Financing Sources	<u>\$ 3,132,406</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 3,131,935
Discounts on bonds/notes issued	471
Total Expenditures and Other Financing Uses	<u>\$ 3,132,406</u>
FUND BALANCE - December 31, 2016	<u>\$ -</u>

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

**WATER UTILITY**

To account for the provision of water supply services to the residents, business entities, and public authorities of the Village and the adjacent communities of the City of Schofield and the Village of Rothschild, where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund.

**SEWER UTILITY**

To account for the provision of wastewater treatment and disposal services to the residents, business entities, and public authorities of the Village and the adjacent communities of the City of Schofield and the Village of Rothschild, where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund, including the Village's share of the Rib Mountain Metropolitan Sewerage District plant operating costs.

**STORMWATER UTILITY**

To account for the management of stormwater and other surface water discharges to the residents, business entities, and public authorities of the Village of Weston. The utility will also provide for the maintenance of existing stormwater appurtenances and recommend drainage modifications where it is deemed appropriate. All revenues and expenses necessary to provide such services are accounted for in this fund.



**VILLAGE OF WESTON**

ENTERPRISE FUNDS  
 SCHEDULE OF RATES OF RETURN - REGULATORY BASIS  
 For the Year Ended December 31, 2016

	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>UTILITY PLANT IN SERVICE</b>				
Beginning of year	\$ 29,236,969	\$ 31,002,096	\$ 17,388,334	\$ 77,627,399
End of year	29,393,288	31,106,574	17,416,056	77,915,918
Average	29,315,129	31,054,335	17,402,195	77,771,659
<b>ACCUMULATED DEPRECIATION</b>				
Beginning of year	8,079,218	11,308,351	5,206,087	24,593,656
End of year	8,675,167	11,970,323	5,573,122	26,218,612
Average	8,377,193	11,639,337	5,389,604	25,406,134
<b>MATERIALS AND SUPPLIES</b>				
Beginning of year	93,945	-	-	93,945
End of year	79,907	-	-	79,907
Average	86,926	-	-	86,926
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
Beginning of year	7,619,828	11,260,944	-	18,880,772
End of year	7,619,828	11,260,944	-	18,880,772
Average	7,619,828	11,260,944	-	18,880,772
<b>AVERAGE NET RATE BASE</b>	\$ 13,405,034	\$ 8,154,054	\$ 12,012,591	\$ 33,571,679
<b>OPERATING INCOME (LOSS)</b>	\$ 554,595	\$ (19,810)	\$ 154,481	\$ 689,266
<b>RATE OF RETURN - 2016</b>	4.14%	-0.24%	1.29%	2.05%
<b>RATE OF RETURN - 2015</b>	3.80%	1.73%	1.27%	2.39%

This schedule is computed based on Public Service Commission (PSC) of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America due to GASB Statement No. 33, as well as PSC order 05-US-105, effective January 1, 2003.

**FORM OF LEGAL OPINION**

(See following pages)

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

November 1, 2018

Re: Village of Weston, Wisconsin ("Issuer")  
\$2,600,000\* Waterworks System Revenue Bonds, Series 2018B,  
dated November 1, 2018 ("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 issued pursuant to Section 66.0621, Wisconsin Statutes and a resolution adopted by the Village Board of the Issuer on October 15, 2018 (the "Bond Resolution"). The Issuer covenanted in the Bond Resolution that revenues of the Waterworks System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Bonds as the same falls due.

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

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2019	\$260,000	___%
2020	265,000	___
2021	275,000	___
2022	140,000	___
2023	145,000	___
2024	145,000	___
2025	160,000	___
2026	75,000	___
2027	80,000	___
2028	80,000	___
2029	85,000	___
2030	85,000	___
2031	90,000	___
2032	90,000	___
2033	95,000	___
2034	100,000	___

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\* Preliminary, subject to change.

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2035	\$100,000	___%
2036	105,000	___
2037	110,000	___
2038	115,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2019.

The Bonds maturing on May 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 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 Bond Resolution, 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 Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. 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 individuals. 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.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

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

### 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](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)



## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Village of Weston, Marathon County, Wisconsin (the "Issuer") in connection with the issuance of \$2,600,000\* Waterworks System Revenue Bonds, Series 2018B, dated November 1, 2018 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on October 15, 2018 (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](http://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 October 16, 2018 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.

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\* Preliminary, subject to change.

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

"Issuer Contact" means the Village Clerk of the Issuer who can be contacted at 5500 Schofield Avenue, Weston, Wisconsin, 54476, phone (715) 359-6114, fax (715) 359-6117.

"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 ended 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. THE BONDS - DESCRIPTION OF THE WATERWORKS SYSTEM

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 1st day of November, 2018.

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Barbara J. Ermeling  
President

(SEAL)

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Sherry L. Weinkauff  
Village Clerk

**NOTICE OF SALE**

**\$2,600,000\* WATERWORKS SYSTEM REVENUE BONDS, SERIES 2018B  
VILLAGE OF WESTON, WISCONSIN**

Bids for the purchase of \$2,600,000\* Waterworks System Revenue Bonds, Series 2018B (the "Bonds") of the Village of Weston, 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 October 15, 2018, 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 6:00 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 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements, extensions and additions to the Village's Waterworks System (the "Utility System"), consisting of the acquisition and installation of meter reading equipment and test well pumping and to refund certain obligations of the Village issued for that purpose. The Bonds are not general obligations of the Village but are payable only from the net revenues of the Utility System.

**DATES AND MATURITIES**

The Bonds will be dated November 1, 2018, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2019	\$260,000	2026	\$75,000	2033	\$95,000
2020	265,000	2027	80,000	2034	100,000
2021	275,000	2028	80,000	2035	100,000
2022	140,000	2029	85,000	2036	105,000
2023	145,000	2030	85,000	2037	110,000
2024	145,000	2031	90,000	2038	115,000
2025	160,000	2032	90,000		

**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, 2019, 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 2020 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.

## **PAYING AGENT**

The Village may designate a Village officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the Village, the Bonds maturing on or after May 1, 2028 shall be subject to optional redemption prior to maturity on May 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 November 1, 2018, 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 special 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). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the Village to serve as Disclosure Counsel to the Village with respect to the 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 \$2,567,500, nor more than \$2,756,000, plus accrued interest on the principal sum of \$2,600,000 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](mailto: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 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, 2<sup>nd</sup> 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 \$52,000 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 bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder 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 satisfied and the bidder 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<sup>th</sup>) 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 will advise the Village promptly after the close of the fifth (5<sup>th</sup>) business day after the sale whether it has 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.

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

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with 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 bidder selects the 10% test, the bidder 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 either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

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

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 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 third-party distribution agreement, as applicable, to:

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

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

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 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 a party to a third-party 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 third-party distribution agreement to:

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

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

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

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 third-party 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 (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the 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](http://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

Jessica Trautman, Finance Director/Treasurer  
Village of Weston, Wisconsin

# BID FORM

The Board of Trustees  
Village of Weston, Wisconsin

October 15, 2018

RE: \$2,600,000\* Waterworks System Revenue Bonds, Series 2018B

DATED: November 1, 2018

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 \$2,567,500, nor more than \$2,756,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due	2038
_____ % due	2025	_____ % due	2032		

\* 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 2020 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%.

We enclose our Deposit in the amount of \$52,000, to be held by the Village 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 November 1, 2018.

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 November 1, 2018 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 Weston, Wisconsin, on October 15, 2018.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_