

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE 10, 2019

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 SLINGER, WISCONSIN (Washington County)

### \$5,540,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A

**BID OPENING:** June 17, 2019, 10:30 A.M., C.T.

**CONSIDERATION:** June 17, 2019, 6:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$5,540,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the Village of Slinger, Wisconsin (the "Village") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purposes of financing capital projects within the Village including constructing a DPW building, street improvements, parks and public grounds projects and sanitary sewer and storm sewer projects. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF BONDS:** July 11, 2019

**MATURITY:** March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2020	\$195,000	2027	\$255,000	2034	\$310,000
2021	220,000	2028	265,000	2035	320,000
2022	220,000	2029	265,000	2036	330,000
2023	235,000	2030	270,000	2037	345,000
2024	240,000	2031	275,000	2038	350,000
2025	240,000	2032	290,000	2039	365,000
2026	250,000	2033	300,000		

**\*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:** March 1, 2020 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing on March 1, 2029 and thereafter are subject to call for prior optional redemption on March 1, 2028 or any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$5,470,750.

**MAXIMUM BID:** \$5,817,000.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$110,800 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 & 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.



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## 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 and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the Village with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the delivery 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 and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

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

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

## CLOSING CERTIFICATES

Upon delivery of the 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 SLINGER VILLAGE BOARD**

		<u>Term Expires</u>
Russell Brandt	Village President	April 2021
Jeff Behrend	Village Trustee	April 2020
Lee Fredericks	Village Trustee	April 2020
Rick Gundrum	Village Trustee	April 2021
Richard Kohl	Village Trustee	April 2021
Dean Otte	Village Trustee	April 2021
Marlyss Thiel	Village Trustee	April 2020

## **ADMINISTRATION**

Jessi Balcom, Village Administrator

Margaret Wilber, Village Treasurer

Tammy Tennes, Village Clerk

## **PROFESSIONAL SERVICES**

Municipal Law & Litigation Group, Village Attorney, Waukesha, Wisconsin

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

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin

*(Other offices located in Roseville, Minnesota and Denver, Colorado)*

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Slinger, Wisconsin (the "Village") and the issuance of its \$5,540,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Village Board on June 17, 2019.

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

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 11, 2019. The Bonds will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2020, 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 2027 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

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

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, 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 March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or 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 67.04, Wisconsin Statutes, for the public purposes of financing capital projects within the Village including constructing a DPW building, street improvements, parks and public grounds projects and sanitary sewer and storm sewer projects.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Bonds	\$5,540,000	
Estimated Investment Earnings	<u>18,083</u>	
<b>Total Sources</b>		<b>\$5,558,083</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$69,250	
Costs of Issuance	62,650	
Deposit to Project Construction Fund	5,425,000	
Rounding Amount	<u>1,183</u>	
<b>Total Uses</b>		<b>\$5,558,083</b>

\*Preliminary, subject to change

**SECURITY**

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

**RATING**

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

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

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

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

## **LEGAL MATTERS**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the Village, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (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 premium" within the meaning of Section 171 of the Code. The amortizable 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 premium is not allowed any deduction for the amortizable premium; rather the amortizable premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium 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 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 basic financial statements of the Village for the fiscal year ended December 31, 2017 and the draft basic financial statements for the fiscal year ended December 31, 2018, have been audited by Reilly, Penner & Benton LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Village expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and revision. The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

## **RISK FACTORS**

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

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

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

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

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

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

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

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

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

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

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

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

**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	\$573,650,600
2018 Equalized Value Reduced by Tax Increment Valuation	\$563,019,800
2018 Assessed Value	\$578,110,747

## 2018 EQUALIZED VALUE BY CLASSIFICATION

	<b>2018 Equalized Value<sup>1</sup></b>	<b>Percent of Total Equalized Value</b>
Residential	\$ 431,281,300	75.182%
Commercial	129,290,600	22.538%
Manufacturing	7,143,000	1.245%
Agricultural	78,800	0.014%
Undeveloped	358,600	0.063%
Ag Forest	172,000	0.030%
Forest	64,000	0.011%
Other	288,200	0.050%
Personal Property	4,974,100	0.867%
Total	<u>\$ 573,650,600</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2014	\$ 455,119,209	\$ 438,427,900	-1.77%
2015	469,565,441	466,487,200	6.40%
2016	477,516,858	500,284,300	7.25%
2017	527,908,069	524,181,400	4.78%
2018	578,110,747	573,650,600	9.44%

**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>2018 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
LTC Properties	Rehab & Nursing Facility	\$ 12,967,379	2.26%
Aurora Medical Group	Healthcare	6,862,842	1.20%
Pentler Properties	Auto Sales & Service	4,726,948	0.82%
Denco Properties	Residential Rental Properties	4,608,965	0.80%
PJR Properties	Retail Grocery	4,531,369	0.79%
Pt Rentals	Assisted Living Facility	3,683,263	0.64%
East Mequon Development Corp <sup>2</sup>	Online Retail Sales	3,385,081	0.59%
Dove Plaza II <sup>3</sup>	Commercial Rental Properties	3,040,857	0.53%
CWCT LLC	Petroleum & Fuel Products	2,953,735	0.51%
Hilldale Terrace	Petroleum & Fuel Products	2,642,852	0.46%
<b>Total</b>		<b>\$ 49,403,291</b>	<b>8.61%</b>
Village's Total 2018 Equalized Value <sup>4</sup>		\$573,650,600	

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the Village.

<sup>2</sup> East Mequon Development Corporation owns this parcel. L.H. Holdings, Inc. d/b/a Legendary Whitetails, has recently filed for Chapter 128 voluntary debt consolidation pursuant to Wisconsin Statutes.

<sup>3</sup> Assessment under appeal by taxpayer

<sup>4</sup> Includes tax increment valuation.

## DEBT

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

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

Total General Obligation Debt (includes the Bonds)*	<u>\$7,909,798</u>
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#### Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	\$ 1,635,000
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Total revenue debt secured by sewer revenues	2,589,418
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Total revenue debt secured by water revenues (includes the Concurrent Obligations as defined herein)*	2,160,000
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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.



Village of Slinger, Wisconsin  
 Schedule of Bonded Indebtedness  
 General Obligation Debt Secured by Taxes  
 (As of 07/11/2019)

Calendar Year Ending	GO Ref Bonds Series 2011A			State Trust Fund Loan			GO Bonds Series 2019A			Total P & I*	Principal Outstanding*	% Paid*	Calendar Year Ending
	Dated Amount	Maturity	Interest	Principal	Interest	Estimated Interest*	Dated Amount	Maturity	Interest				
2019			26,548						26,548	251,548	2.84%	2019	
2020	\$4,560,000	11/01	49,045	59,778	5,559	172,545	\$300,000	04/17/2017	227,149	731,927	9.23%	2020	
2021			44,045	61,586	3,751	146,688			194,483	751,069	16.26%	2021	
2022			37,995	63,434	1,903	142,123			182,021	740,454	23.32%	2022	
2023			31,670			137,286			168,956	678,956	29.77%	2023	
2024			24,795			132,120			156,915	681,915	36.41%	2024	
2025			17,100			126,720			143,820	683,820	43.23%	2025	
2026			8,700			121,023			129,723	679,723	50.19%	2026	
2027						114,961			114,961	369,961	53.41%	2027	
2028						108,459			108,459	373,459	56.76%	2028	
2029						101,569			101,569	366,569	60.11%	2029	
2030						94,345			94,345	364,345	63.53%	2030	
2031						86,714			86,714	361,714	67.00%	2031	
2032						78,518			78,518	368,518	70.67%	2032	
2033						69,740			69,740	369,740	74.46%	2033	
2034						60,435			60,435	370,435	78.38%	2034	
2035						50,590			50,590	370,590	82.43%	2035	
2036						40,270			40,270	370,270	86.60%	2036	
2037						29,384			29,384	374,384	90.96%	2037	
2038						18,003			18,003	368,003	95.39%	2038	
2039						6,114			6,114	371,114	100.00%	2039	
			2,185,000	184,798	11,213	1,837,604			2,088,714	9,998,512			

\* Preliminary, subject to change.

Village of Slinger, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Electric Revenues  
(As of 07/11/2019)

Electric Sys Rev Bds  
Series 2018A

Dated Amount	08/09/2018 \$645,000	08/09/2018 \$1,095,000
Maturity	06/01	06/01

Electric Sys Rev Bds  
Series 2018B (AMT)

Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2019	80,000	8,975	40,000	21,281	120,000	30,256	30,256	1,635,000	.00%	2019
2020	75,000	16,750	45,000	41,763	120,000	58,513	178,513	1,515,000	7.34%	2020
2021	75,000	14,425	45,000	40,063	120,000	54,488	174,488	1,395,000	14.68%	2021
2022	55,000	12,175	45,000	38,263	100,000	50,438	170,438	1,275,000	22.02%	2022
2023	55,000	10,225	45,000	36,463	100,000	46,688	146,688	1,175,000	28.13%	2023
2024	60,000	8,575	45,000	34,663	100,000	43,238	143,238	1,075,000	34.25%	2024
2025	60,000	6,850	50,000	32,763	110,000	39,613	149,613	965,000	40.98%	2025
2026	55,000	4,988	50,000	30,763	105,000	35,750	140,750	860,000	47.40%	2026
2027	55,000	3,063	50,000	28,763	105,000	31,825	136,825	755,000	53.82%	2027
2028	60,000	1,050	55,000	26,731	115,000	27,781	142,781	640,000	60.86%	2028
2029			55,000	24,669	55,000	24,669	79,669	585,000	64.22%	2029
2030			55,000	22,606	55,000	22,606	77,606	530,000	67.58%	2030
2031			60,000	20,450	60,000	20,450	80,450	470,000	71.25%	2031
2032			60,000	18,125	60,000	18,125	78,125	410,000	74.92%	2032
2033			65,000	15,625	65,000	15,625	80,625	345,000	78.90%	2033
2034			65,000	13,025	65,000	13,025	78,025	280,000	82.87%	2034
2035			70,000	10,325	70,000	10,325	80,325	210,000	87.16%	2035
2036			65,000	7,544	65,000	7,544	72,544	145,000	91.13%	2036
2037			70,000	4,675	70,000	4,675	74,675	75,000	95.41%	2037
2038			75,000	1,594	75,000	1,594	76,594	0	100.00%	2038
	570,000	87,075	1,065,000	470,150	1,635,000	557,225	2,192,225			

Village of Slinger, Wisconsin  
Schedule of Bonded Indebtedness  
Revenue Debt Secured by Sewer Revenues  
(As of 07/11/2019)

Calendar Year Ending	Sewer Sys Rev Bonds Series 2003 CWFL			Sewer Sys Rev Bonds Series 2003 CWFL			Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated	Amount	Maturity	Dated	Amount	Maturity				
	2019	03/10/2004	\$1,060,911	05/01	02/13/2008	\$3,483,319				
2020							59,161	2,234,486	13.71%	2020
2021							50,162	1,870,666	27.76%	2021
2022							40,937	1,497,736	42.16%	2022
2023							31,480	1,115,467	56.92%	2023
2024							23,474	846,413	67.31%	2024
2025							16,958	570,920	77.95%	2025
2026							10,287	288,835	88.85%	2026
2027							3,456	0	100.00%	2027
							267,717	2,589,418		
							2,857,136			

Village of Slinger, Wisconsin  
 Schedule of Bonded Indebtedness  
 Revenue Debt Secured by Water Revenues  
 (As of 07/11/2019)

Water Sys Rev Bonds  
 Series 2019B

Dated Amount	07/11/2019 \$2,160,000*	Maturity	05/01	Calendar Year Ending	Principal*	Estimated Interest*	Total Principal*	Total Interest*	Total P & I*	Principal Outstanding*	% Paid*	Calendar Year Ending
2020	60,000	83,564	60,000	83,564	143,564	2,100,000	2.78%	2020				
2021	85,000	62,032	85,000	62,032	147,032	2,015,000	6.71%	2021				
2022	90,000	59,997	90,000	59,997	149,997	1,925,000	10.88%	2022				
2023	90,000	57,896	90,000	57,896	147,896	1,835,000	15.05%	2023				
2024	90,000	55,776	90,000	55,776	145,776	1,745,000	19.21%	2024				
2025	95,000	53,560	95,000	53,560	148,560	1,650,000	23.61%	2025				
2026	95,000	51,223	95,000	51,223	146,223	1,555,000	28.01%	2026				
2027	95,000	48,801	95,000	48,801	143,801	1,460,000	32.41%	2027				
2028	105,000	46,143	105,000	46,143	151,143	1,355,000	37.27%	2028				
2029	105,000	43,223	105,000	43,223	148,223	1,250,000	42.13%	2029				
2030	110,000	40,114	110,000	40,114	150,114	1,140,000	47.22%	2030				
2031	110,000	36,836	110,000	36,836	146,836	1,030,000	52.31%	2031				
2032	115,000	33,381	115,000	33,381	148,381	915,000	57.64%	2032				
2033	115,000	29,759	115,000	29,759	144,759	800,000	62.96%	2033				
2034	120,000	25,945	120,000	25,945	145,945	680,000	68.52%	2034				
2035	125,000	21,846	125,000	21,846	146,846	555,000	74.31%	2035				
2036	135,000	17,392	135,000	17,392	152,392	420,000	80.56%	2036				
2037	135,000	12,680	135,000	12,680	147,680	285,000	86.81%	2037				
2038	140,000	7,791	140,000	7,791	147,791	145,000	93.29%	2038				
2039	145,000	2,639	145,000	2,639	147,639	0	100.00%	2039				
	2,160,000	790,595	2,160,000	790,595	2,950,595							

\* Preliminary, subject to change.

## 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	\$ 573,650,600
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 28,682,530
Less: General Obligation Debt (includes the Bonds)*	<u>(7,909,798)</u>
Unused Debt Limit*	<u>\$ 20,772,732</u>

\*Preliminary, subject to change.

## 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>
Washington County	\$ 15,304,223,600	3.7483%	\$ 14,145,000	\$ 530,197
Moraine Park Technical College District	27,525,107,247	2.0841%	22,985,000	479,030
Slinger School District	2,091,247,035	27.4310%	35,790,625	<u>9,817,726</u>
Village's Share of Total Overlapping Debt				<u>\$10,826,953</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 \$573,650,600</b>	<b>Debt/ Per Capita 5,559<sup>1</sup></b>
Total General Obligation Debt*	\$ 7,909,798	1.38%	\$ 1,422.88
Village's Share of Total Overlapping Debt	<u>10,826,953</u>	<u>1.89%</u>	<u>1,947.64</u>
Total*	\$ 18,736,751	3.27%	\$ 3,370.52

## 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 expects to issue \$2,160,000\* Water System Revenue Bonds, Series 2019B (the "Concurrent Obligations"). Aside from the preceding, the Village has no current plans for additional financing 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
2014/15	\$2,321,618	100%	\$7.23
2015/16	2,402,178	100%	6.98
2016/17	2,812,853	100%	5.66
2017/18	2,910,881	100%	5.62
2018/19	3,139,438	[----- In process -----]	5.58

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>
2014/15	\$9.62	\$2.69	\$7.23	\$0.23	\$19.77
2015/16	9.64	2.60	6.98	0.23	19.45
2016/17	9.39	2.58	5.66	0.17	17.80
2017/18	9.05	2.49	5.62	0.00	17.16
2018/19	8.63	2.39	5.58	0.00	16.60

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

## LEVY LIMITS

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

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

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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.



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

# THE ISSUER

## VILLAGE GOVERNMENT

The Village was incorporated in 1869 and is governed by a seven-member Village Board, of which the Village President is a voting member. All are elected to two-year terms. The appointed Administrator, Treasurer and Clerk are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The Village employs a staff of 29 full-time, 20 part-time, and 59 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, 2016 ("Fiscal Year 2016"), the fiscal year ended December 31, 2017 ("Fiscal Year 2017") and the fiscal year ended December 31, 2018 ("Fiscal Year 2018") the Village's portion of contributions to WRS (not including any employee contributions) totaled \$145,029, \$146,286 and \$162,786, respectively.

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

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

As of December 31, 2017, the total pension liability of the WRS was calculated as \$101.43 billion and the fiduciary net position of the WRS was calculated as \$104.4 billion, resulting in a net pension asset of \$2.97 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 2018, the Village reported an asset of \$460,165 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2017 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 0.0155% of the aggregate WRS net pension asset as of December 31, 2017.

The calculation of the total pension asset 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 asset 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 12 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

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

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

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

The following bargaining unit represents employees of the Village:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Labor Association of Wisconsin	December 31, 2020

### **OTHER POST EMPLOYMENT BENEFITS**

The Village provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) through a single-employer defined benefit plan to employees who have terminated their employment with the Village and have satisfied specified eligibility standards. Retirees may choose to remain on the Village's group health plan but are responsible for paying all required premiums, resulting in an implicit rate subsidy. Membership in the plan consisted of 1 retiree receiving benefits and 27 active eligible plan members as of December 31, 2017, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years. Prior to fiscal years beginning after June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations are required to be prepared in accordance with Statement No. 74 and Statement No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). The Village had an actuarial study for the plan prepared in accordance with GASB 74/75 Key Benefit Concepts, LLC, in May 2019, with an actuarial valuation date of December 31, 2017 (the "Actuarial Report").

For Fiscal Year 2017, contributions to the plan totaled \$0. The Village's current funding practice is to make annual contributions to the plan in amounts at least equal to the benefits paid to retirees in a particular year on a "pay- as-you-go" basis.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2017, the plan's total OPEB liability was \$148,229 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$148,229.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions. See Note 12 in "APPENDIX A-FINANCIAL STATEMENTS."

The Village provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2018, the Village's portion of contributions to the LRLIF totaled \$644. For Fiscal Year 2018, the Village reported a liability of \$102,159 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2017 based on the Village's share of contributions to the LRLIF relative to the contributions of all participating employers. The Village's proportion was 0.033956% of the aggregate LRLIF net OPEB liability as of December 31, 2017.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information regarding the LRLIF and such actuarial assumptions, see Note 13 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the 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 April 30, 2019)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$ 2,535,071
Parks & Recreation	175,551
Library	418,658
Library Building & Offset Revenues	195,151
Library Reserve Fund	25,789
Debt Service	364,246
Capital Projects & Equipment	114,756
TIF	183,206
RDA	147,864
Revolving Loan Fund	422,726
Central Equipment & Central Services	810,810
Electric System	1,657,136
Electric Debt Reserve	183,256
Water Utility	1,136,390
Sewer Utility	38,880
Sewer Debt Reserve	571,872
Sewer Replacement Fund	780,787
Stormwater Utility	750,673
Park Impact Fees Fund	75,090
Municipal Facilities Impact Fees Fund	<u>73,670</u>
Total All Funds	\$ 10,661,582

## ENTERPRISE FUNDS

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

	<b>2016 Audited</b>	<b>2017 Audited</b>	<b>2018 Draft Audited</b>
<b>Water</b>			
Total Operating Revenues	\$ 1,042,172	\$ 1,075,398	\$ 1,077,986
Less: Operating Expenses	<u>(908,001)</u>	<u>(856,504)</u>	<u>(878,705)</u>
Operating Income	\$ 134,171	\$ 218,894	\$ 199,281
Plus: Depreciation	206,329	199,938	203,845
Interest Income	13,198	14,102	17,880
Rent Income	<u>27,152</u>	<u>33,926</u>	<u>34,262</u>
Revenues Available for Debt Service	<u><u>\$ 380,850</u></u>	<u><u>\$ 466,860</u></u>	<u><u>\$ 455,268</u></u>
<b>Sewer</b>			
Total Operating Revenues	\$ 1,280,747	\$ 1,386,535	\$ 1,501,646
Less: Operating Expenses	<u>(1,323,516)</u>	<u>(1,526,967)</u>	<u>(1,367,318)</u>
Operating Income	\$ (42,769)	\$ (140,432)	\$ 134,328
Plus: Depreciation	537,308	548,552	560,985
Interest Income	<u>17,483</u>	<u>20,057</u>	<u>20,500</u>
Revenues Available for Debt Service	<u><u>\$ 512,022</u></u>	<u><u>\$ 428,177</u></u>	<u><u>\$ 715,813</u></u>
<b>Electric</b>			
Total Operating Revenues	\$ 4,406,423	\$ 4,433,395	\$ 4,422,953
Less: Operating Expenses	<u>(4,077,116)</u>	<u>(4,085,854)</u>	<u>(4,188,121)</u>
Operating Income	\$ 329,307	\$ 347,541	\$ 234,832
Plus: Depreciation	431,227	440,060	466,717
Interest Income	6,642	7,863	14,226
Rent Income	<u>1,073</u>	<u>1,531</u>	<u>1,348</u>
Revenues Available for Debt Service	<u><u>\$ 768,249</u></u>	<u><u>\$ 796,995</u></u>	<u><u>\$ 717,123</u></u>
<b>Storm water</b>			
Total Operating Revenues	\$ 254,923	\$ 249,328	\$452,079
Less: Operating Expenses	<u>(347,760)</u>	<u>(325,371)</u>	<u>(324,037)</u>
Operating Income	\$ (92,837)	\$ (76,043)	\$ 128,042
Plus: Depreciation	152,534	158,409	163,315
Interest Income	<u>16,456</u>	<u>801</u>	<u>2,495</u>
Revenues Available for Debt Service	<u><u>\$ 76,153</u></u>	<u><u>\$ 83,167</u></u>	<u><u>\$ 293,852</u></u>

## 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 audited and 2018 draft audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited	2016 Audited	2017 Audited	2018 Draft Audited	2019 Adopted Budget <sup>1</sup>
<b>Revenues</b>					
Taxes and special assessments	\$ 2,155,560	\$ 1,875,125	\$ 2,231,628	\$ 2,317,775	\$ 2,570,287
Intergovernmental	368,305	373,068	390,248	337,668	386,980
Licenses and permits	225,536	306,806	318,801	313,970	317,800
Penalties and forfeitures	88,157	236,830	157,428	81,515	91,000
Public charges for services	104,986	114,560	112,901	123,801	171,000
Intergovernmental charges for services	42,050	9,375	19,421	20,903	0
Miscellaneous general revenues	35,617	45,038	38,175	66,965	91,787
<b>Total Revenues</b>	<b>\$ 3,020,211</b>	<b>\$ 2,960,802</b>	<b>\$ 3,268,602</b>	<b>\$ 3,262,597</b>	<b>\$ 3,628,854</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	\$ 335,055	\$ 255,053	\$ 290,725	\$ 278,589	\$ 371,157
Public safety	1,930,563	1,942,264	1,989,434	2,032,728	2,073,390
Public works	681,889	751,632	844,242	878,382	1,058,791
Health and social services	1,348	796	1,538	541	516
Culture and recreation	0	0	189,250	213,092	125,000
Conservation and development	29,359	32,471	102,477	98,378	0
Capital Outlay	0	0	20,209	0	
<b>Total Expenditures</b>	<b>\$ 2,978,214</b>	<b>\$ 2,982,216</b>	<b>\$ 3,437,875</b>	<b>\$ 3,501,710</b>	<b>\$ 3,628,854</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 41,997</b>	<b>\$ (21,414)</b>	<b>\$ (169,273)</b>	<b>\$ (239,113)</b>	
<b>Other Financing Sources (Uses)</b>					
Transfers from proprietary funds-pilot	0	328,895	314,713	308,159	
Operating transfers from proprietary and internal service funds	0	33,115	15,343	19,871	
Operating transfers in	24,718	347,828	47,424	30,000	
Operating transfers out	(1,751,261)	(530,758)	(410,852)	(300,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,726,543)</b>	<b>\$ 179,080</b>	<b>\$ (33,372)</b>	<b>\$ 58,030</b>	
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ (1,684,546)</b>	<b>\$ 157,666</b>	<b>\$ (202,645)<sup>2</sup></b>	<b>\$ (181,083)</b>	
General Fund Balance January 1	4,411,697	2,727,151	2,884,817	2,682,172	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
<b>General Fund Balance December 31</b>	<b>\$ 2,727,151</b>	<b>\$ 2,884,817</b>	<b>\$ 2,682,172</b>	<b>\$ 2,501,089</b>	
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	469,621	48,508	88,261	274,985	
Restricted	0	0	0	0	
Committed	66,793	0	0	0	
Assigned	0	0	0	0	
Unassigned	2,190,737	2,836,309	2,593,911	2,226,104	
<b>Total</b>	<b>\$ 2,727,151</b>	<b>\$ 2,884,817</b>	<b>\$ 2,682,172</b>	<b>\$ 2,501,089</b>	

<sup>1</sup> The 2019 budget was adopted on December 3, 2018.

<sup>2</sup> Planned use of fund balance for capital projects in lieu of borrowing.



## GENERAL INFORMATION

### LOCATION

The Village, with a 2010 U.S. Census population of 5,068 and a current estimated population of 5,559 comprises an area of 5.26 square miles and is located approximately 35 miles northwest of Milwaukee, Wisconsin.

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

Larger employers in the Village include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
Slinger School District	Elementary and secondary education	352
Weldall Manufacturing	Metal fabrication and welding shop	150
Piggly Wiggly	Grocery Store	120
The Village	Municipal government	108
Uptown Chevrolet	Car dealership and service	120
The Pavilion of Glacier Valley	Residential care homes	100 <sup>2</sup>
Serenity Village Assisted Living	Residential care homes	88
Aurora Health Center	Medical clinic and cancer treatment	65
Weld Fab Manufacturing	Steel manufacturing	62
Riteway Bus Service	Buses/Charter/Rental	50

**Source:** *ReferenceUSA, written and telephone survey (May 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> With contracted employees they have 125.

## BUILDING PERMITS

	2015	2016	2017	2018	2019 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	17	36	23	48	16
Valuation	\$4,050,700	\$8,943,833	\$6,400,144	\$12,893,906	\$3,910,919
<u>New Multiple Family Buildings</u>					
No. of building permits	7	9	2	6	0
Valuation	\$3,250,000	\$3,346,000	\$680,000	\$3,170,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	4	12	10	6	0
Valuation	\$4,062,128	\$8,147,966	\$30,242,746	\$1,725,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	111	140	92	658	198
Valuation	\$12,476,029	\$22,362,755	\$38,985,270	\$22,508,634	\$4,581,788

**Source:** The Village.

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<sup>1</sup> As of April 30, 2019.

## U.S. CENSUS DATA

### Population Trend: Village

2000 U.S. Census	3,901
2010 U.S. Census	5,068
2018 Estimated Population	5,559
Percent of Change 2000 - 2010	29.92%

### Income and Age Statistics

	Village	Washington County	State of Wisconsin	United States
2017 per capita income	\$35,884	\$36,177	\$30,557	\$31,177
2017 median household income	\$75,602	\$73,021	\$56,759	\$57,652
2017 median family income	\$88,449	\$87,686	\$72,542	\$70,850
2017 median gross rent	\$806	\$873	\$813	\$982
2017 median value owner occupied units	\$208,800	\$219,600	\$169,300	\$193,500
2017 median age	39.5 yrs.	42.6 yrs.	39.2 yrs.	37.8 yrs.
		State of Wisconsin	United States	
Village % of 2017 per capita income		117.43%	115.10%	
Village % of 2017 median family income		121.93%	124.84%	

### Housing Statistics

	<u>Village</u>		
	2000	2017	Percent of Change
All Housing Units	1,607	2,193	36.47%

**Source:** 2000 and 2010 Census of Population and Housing, and 2017 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.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Washington County	Washington County	Washington County	State of Wisconsin
2015	73,215		3.7%	4.6%
2016	74,774		3.3%	4.0%
2017	75,760		2.8%	3.3%
2018	75,630		2.5%	3.0%
2019, April	75,567		2.2%	2.7%

<sup>1</sup> Preliminary

**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 expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and modification. The Village has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

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

VILLAGE OF SLINGER  
Slinger, Wisconsin

BASIC FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
Year Ended December 31, 2018

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VILLAGE OF SLINGER  
Slinger, Wisconsin

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2018

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## **Independent Auditors' Report**

To the Village Board  
Village of Slinger  
Slinger, 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 Slinger, Wisconsin ("Village") as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Village of Slinger as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. GAAP.

## **Change in Accounting Principle**

As discussed in Notes 1J, 13, 14 and 22 to the financial statements, in 2018 the Village adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

U.S. GAAP requires that the management's discussion and analysis and budgetary comparison and other information on pages 5 through 15 and 64 through 71 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 Slinger's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

May 17, 2019  
Milwaukee, Wisconsin

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Statement of Net Position**  
December 31, 2018

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and equivalents	\$ 3,758,455	\$ 1,777,284	\$ 5,535,739
Investments	3,000,384	1,757,514	4,757,898
Taxes receivable	1,353,144	---	1,353,144
Accounts receivable	29,277	1,299,064	1,328,341
Delinquent taxes receivable	29,461	---	29,461
Other receivables	6,610	22,229	28,839
Interest receivable	10,782	9,161	19,943
Interfund balances	243,886	(243,886)	---
Due from/to fiduciary fund	(22,410)	---	(22,410)
Materials and supplies inventory	---	17,596	17,596
Restricted cash and equivalents	453,427	1,552,711	2,006,138
Net pension asset	328,327	131,838	460,165
Capital Assets			
Land and construction in progress	6,759,749	1,160,087	7,919,836
Other capital assets, net of accumulated depreciation	8,859,552	32,434,091	41,293,643
Net capital assets	15,619,301	33,594,178	49,213,479
<b>Total assets</b>	<b>24,810,644</b>	<b>39,917,689</b>	<b>64,728,333</b>
<b>Deferred outflows of resources:</b>			
Deferred outflows related to pensions	952,554	382,489	1,335,043
Deferred outflows related to OPEB - life insurance	10,046	4,034	14,080
Deferred outflows related to OPEB - health	783	315	1,098
<b>Total deferred outflows of resources</b>	<b>963,383</b>	<b>386,838</b>	<b>1,350,221</b>
<b>Liabilities:</b>			
Accounts payable	587,628	575,461	1,163,089
Accrued liabilities	60,192	---	60,192
Due to other governments	4,061	---	4,061
Special deposits	300,590	---	300,590
Accrued interest payable due from restricted assets	---	35,627	35,627
Accrued interest payable	5,464	8,849	14,313
Deposits payable from restricted assets	453,427	---	453,427
Current portion of long-term debt	60,841	---	60,841
Current maturities due from restricted assets	---	676,264	676,264
Long-term liabilities:			
Noncurrent portion of long-term debt	196,423	6,184,418	6,380,841
Unamortized debt issuance premium	---	30,332	30,332
Net OPEB liability - life insurance	72,891	29,268	102,159
Accrued vacation and sick leave	130,444	75,142	205,586
Net OPEB liability - health	105,761	42,468	148,229
<b>Total liabilities</b>	<b>1,977,722</b>	<b>7,657,829</b>	<b>9,635,551</b>
<b>Deferred inflows of resources:</b>			
Tax roll	3,315,875	---	3,315,875
Deferred inflows related to pensions	1,003,863	403,092	1,406,955
Deferred inflows related to OPEB - life insurance	1,027	412	1,439
<b>Total deferred inflows of resources</b>	<b>4,320,765</b>	<b>403,504</b>	<b>4,724,269</b>
<b>Net Position:</b>			
Net investment in capital assets	15,362,037	26,733,496	42,095,533
Restricted for:			
Debt service	13,765	67,870	81,635
Capital projects	714,217	---	714,217
Other purposes	653,821	772,950	1,426,771
Unrestricted	2,731,700	4,668,878	7,400,578
<b>Total net position</b>	<b>\$ 19,475,540</b>	<b>\$ 32,243,194</b>	<b>\$ 51,718,734</b>

The accompanying notes to financial statements  
are an integral part of these statements.



VILLAGE OF SLINGER  
Slinger, Wisconsin

Statement of Activities  
For the Year Ended December 31, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Expenses</b>						
\$	286,567	\$ 379,818	\$ --	102,810	\$ --	102,810
General government	2,169,774	149,653	1,440	(2,019,681)	--	(2,019,681)
Public safety	1,099,982	12,121	221,741	(638,486)	--	(638,486)
Public works	541	--	--	(541)	--	(541)
Health and human services	938,315	295,252	154,998	(488,065)	--	(488,065)
Culture, recreation and education	99,378	--	--	(99,378)	--	(99,378)
Conservation and development	70,915	--	--	(70,915)	--	(70,915)
Interest and fiscal charges	228,515	--	--	(228,515)	--	(228,515)
Unallocated depreciation*	4,893,987	835,844	237,193	(3,442,771)	--	(3,442,771)
Total governmental activities	4,326,478	4,382,885	170,899	--	227,306	227,306
<b>Business-type:</b>						
Electric	878,705	1,070,264	22,927	--	214,486	214,486
Water	1,498,174	1,496,040	231,169	--	229,035	229,035
Sewer	324,037	439,523	9,881	--	140,267	140,267
Stormwater	7,027,394	7,388,712	9,881	--	811,094	811,094
Total business-type activities	11,921,381	8,224,556	388,060	(3,442,771)	811,094	(2,631,677)
Total Village of Slinger						

General revenues:

Taxes:						
Property taxes, levied for general purposes	2,295,770					2,295,770
Property taxes, levied for library	156,000					156,000
Property taxes, levied for recreation	149,306					149,306
Property taxes, levied for capital projects	309,805					309,805
Property taxes, levied for TIF district	109,136					109,136
Payments in lieu of property taxes	7,840					7,840
Other taxes	14,165					14,165
Grants and contributions not restricted to specific programs	114,487					114,487
Earnings on investments	68,150				49,328	117,478
Gain on disposal of capital assets	705				--	705
Miscellaneous	37,381				91,688	129,069
Transfers	19,871				(19,871)	--
Transfers - pilot	308,159				(308,159)	--
Total general revenues and transfers	3,590,775				(187,014)	3,403,761
Change in net position	148,004				624,080	772,084
Net position - beginning	18,180,225				31,320,001	49,500,226
Adjustment due to change in accounting principle	1,147,311				299,113	1,446,424
Net position - beginning, adjusted	19,327,536				31,619,114	50,946,650
<b>Net position - ending</b>	\$ 19,475,540	\$ 32,243,194	\$ 51,718,734			

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Balance Sheet  
Governmental Funds  
December 31, 2018

	General Fund	Capital Projects and Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and equivalents	\$ 1,611,860	\$ 239,895	\$ 1,449,508	\$ 3,301,263
Investments	2,040,833	---	320,865	2,361,698
Receivables:				
Taxes	906,914	105,897	340,333	1,353,144
Accounts	19,718	9,559	---	29,277
Delinquent taxes	29,461	---	---	29,461
Other	---	---	6,610	6,610
Interest	6,793	---	1,241	8,034
Due from other funds	321,957	---	---	321,957
Restricted assets:				
Cash and investments	453,427	---	---	453,427
Advances to other funds	245,524	---	142,413	387,937
<b>Total assets</b>	<b>5,636,487</b>	<b>355,351</b>	<b>2,260,970</b>	<b>8,252,808</b>
<b>Liabilities:</b>				
Accounts payable	97,441	377,308	27,486	502,235
Accrued liabilities	35,077	---	11,073	46,150
Deposits	300,590	---	---	300,590
Due to other funds - other	22,410	---	---	22,410
Due to other governmental units	4,061	---	---	4,061
Advances from other funds	---	---	303,491	303,491
Payable from restricted assets:				
Deposits	453,427	---	---	453,427
<b>Total liabilities</b>	<b>913,006</b>	<b>377,308</b>	<b>342,050</b>	<b>1,632,364</b>
<b>Deferred Inflows of Resources:</b>				
Tax roll	2,222,392	259,500	833,983	3,315,875
<b>Fund Balances (Deficits):</b>				
Nonspendable	274,985	---	149,023	424,008
Restricted	---	---	1,232,779	1,232,779
Unassigned	2,226,104	(281,457)	(296,865)	1,647,782
<b>Total fund balances (deficits)</b>	<b>\$ 2,501,089</b>	<b>\$ (281,457)</b>	<b>\$ 1,084,937</b>	<b>\$ 3,304,569</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position**  
December 31, 2018

Total fund balances for governmental funds	\$ 3,304,569
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	
Land and construction in progress	6,526,971
Other capital assets, net of accumulated depreciation	5,764,492
The Village's proportionate share of the net pension asset at the WRS is reported on the statement of net position, but is not reported in the governmental funds.	
	303,202
The Village's proportionate share of the net OPEB liability for the Local Retiree Life Insurance Fund ("LRLIF") administered by the Wisconsin Department of Employee Trust Funds ("ETF") is reported on the statement of net position, but is not reported in the governmental funds.	
	(67,314)
Deferred outflows and inflows of resources related to pensions, OPEB - life insurance and OPEB - health are applicable to future periods, and therefore, are not reported in the governmental funds.	
Deferred outflows related to pensions	879,660
Deferred inflows related to pensions	(927,043)
Deferred outflows related to OPEB - health	723
Deferred outflows related to OPEB - life insurance	9,278
Deferred inflows related to OPEB - life insurance	(948)
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.	
Compensated absences	(130,444)
Other post-employment benefits	(97,666)
Internal service funds are used by the Village to charge overhead to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position; but are reported as proprietary funds, not governmental funds in the fund financial statements.	<u>3,910,060</u>
Total net position of governmental activities	<u>\$ 19,475,540</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Capital Projects and Equipment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenue:</b>				
Taxes	\$ 2,317,775	\$ 309,805	\$ 414,442	\$ 3,042,022
Intergovernmental	337,668	---	153,397	491,065
Licenses and permits	313,970	---	---	313,970
Fines, forfeits and penalties	81,515	8,437	7,889	97,841
Public charges for services	123,801	---	321,972	445,773
Intergovernmental charges for services	20,903	---	---	20,903
Miscellaneous	66,965	10,645	30,561	108,171
<b>Total revenues</b>	<u>3,262,597</u>	<u>328,887</u>	<u>928,261</u>	<u>4,519,745</u>
<b>Expenditures:</b>				
Current:				
General government	278,589	54,933	9,270	342,792
Public safety	2,032,728	60,041	---	2,092,769
Public works	878,382	---	---	878,382
Health and human services	541	---	---	541
Culture, recreation and education	213,092	---	680,287	893,379
Conservation and development	98,378	---	85,649	184,027
Capital outlay	---	1,069,452	19,615	1,089,067
Debt service:				
Interest and fiscal charges	---	---	4,614	4,614
<b>Total expenditures</b>	<u>3,501,710</u>	<u>1,184,426</u>	<u>799,435</u>	<u>5,485,571</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(239,113)	(855,539)	128,826	(965,826)
<b>Other Financing Sources (Uses):</b>				
Proceeds on the sale of capital assets	---	2,705	---	2,705
Operating transfers in	30,000	300,000	---	330,000
Transfers from proprietary funds - pilot	308,159	---	---	308,159
Operating transfers from proprietary and internal service funds	19,871	---	---	19,871
Operating transfers out	(300,000)	---	(30,000)	(330,000)
<b>Net other financing sources (uses)</b>	<u>58,030</u>	<u>302,705</u>	<u>(30,000)</u>	<u>330,735</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	(181,083)	(552,834)	98,826	(635,091)
<b>Fund Balances, January 1</b>	<u>2,682,172</u>	<u>271,377</u>	<u>986,111</u>	<u>3,939,660</u>
<b>Fund Balances, December 31</b>	<u>\$ 2,501,089</u>	<u>\$ (281,457)</u>	<u>\$ 1,084,937</u>	<u>\$ 3,304,569</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
to the Statement of Activities**  
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds \$ (635,091)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Governmental capital outlays in the governmental fund financial statements	1,089,067
Depreciation expense	(409,501)

Certain capital assets were contributed by outside parties. As no current financial resources were acquired as a result of these contributions, they are not recorded in the governmental fund statements.	227,634
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Capital assets are not reported in the governmental funds, therefore governmental funds do not report gains or losses on their disposal like the statement of activities does.	(2,000)
--	---------

Net OPEB - life insurance obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the statement of activities.	
OPEB - life insurance expense	(6,951)
Village OPEB - life insurance contributions	424

In the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	
Pension Expense	(208,040)
Village pension contributions	107,259

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, revenues are recognized when they are available under the modified accrual basis, rather than when they are earned. The following adjustments are created by these differences in accounting methods:	
Compensated absences	2,456
Other post-employment benefits	(11,047)

Internal service funds are used by the Village to charge overhead to individual funds. The net increase (decrease) in net position of internal service funds is reported with governmental activities on the Statement of Activities; but are reported as proprietary funds, not governmental funds in the fund financial statements.	(6,206)
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Net change in net position	\$ 148,004
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The accompanying notes to financial statements  
are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Enterprise Funds				Internal Service Funds		
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Total	Central Equipment Fund	Central Services Fund
<b>Assets:</b>							
Current Assets:							
Cash and equivalents	\$ 1,328,723	\$ 279,209	\$ (507,152)	\$ 676,504	\$ 1,777,284	\$ 55,166	\$ 402,026
Investments	360,488	772,473	—	—	1,757,514	—	638,686
Receivables:							
Customer accounts	790,775	144,019	239,253	125,017	1,299,064	—	—
Other	6,456	3,089	12,584	—	22,229	—	—
Interest	1,551	3,324	4,286	—	9,161	—	2,748
Inventory	11,764	5,632	—	—	17,596	—	—
<b>Total current assets</b>	<b>2,499,757</b>	<b>1,207,946</b>	<b>373,624</b>	<b>801,521</b>	<b>4,882,848</b>	<b>55,166</b>	<b>1,043,460</b>
Noncurrent Assets:							
Restricted assets:							
Cash and equivalents	181,524	—	1,371,187	—	1,552,711	—	—
Advances to other funds	23,216	54,855	—	—	78,071	—	—
Land and construction in progress	134,196	642,362	192,793	190,736	1,160,087	—	232,777
Other capital assets, net of accumulated depreciation	6,994,443	7,456,897	15,017,717	2,965,034	32,434,091	1,202,867	1,892,194
Net pension asset	36,470	44,728	40,771	7,869	131,838	3,063	22,042
Total noncurrent assets	7,371,849	8,198,842	16,822,468	3,163,639	35,356,798	1,205,950	2,147,013
<b>Total assets</b>	<b>9,871,606</b>	<b>9,406,788</b>	<b>16,996,092</b>	<b>3,965,160</b>	<b>40,239,646</b>	<b>1,261,116</b>	<b>3,190,473</b>
<b>Deferred Outflows of Resources</b>							
Deferred outflows related to pensions	111,610	129,766	118,285	22,828	382,489	8,945	63,949
Deferred outflows related to OPEB - life insurance	1,177	1,369	241	—	4,034	94	674
Deferred outflows related to OPEB - health	92	107	97	19	315	53	7
<b>Total deferred outflows of resources</b>	<b>112,879</b>	<b>131,242</b>	<b>118,623</b>	<b>23,068</b>	<b>386,838</b>	<b>9,092</b>	<b>64,630</b>
<b>Liabilities:</b>							
Current Liabilities:							
Accounts payable	504,555	35,877	29,010	6,019	575,461	11,196	74,197
Accrued liabilities	21,597	21,750	19,728	12,067	75,142	—	14,042
Due to other funds	176,347	145,610	—	—	321,957	—	—
Current maturities of long-term debt	—	—	—	—	—	58,051	2,790
Accrued interest	—	—	8,849	—	8,849	5,464	—
Payable from restricted assets:							
Current maturities of long-term debt	105,000	—	574,264	—	676,264	—	—
Accrued interest	23,582	—	12,045	—	35,627	—	—
<b>Total current liabilities</b>	<b>831,081</b>	<b>203,237</b>	<b>640,896</b>	<b>18,086</b>	<b>1,693,300</b>	<b>74,711</b>	<b>91,029</b>
Noncurrent Liabilities:							
Advances from other funds	—	—	—	—	—	162,517	—
Net OPEB - life insurance liability	8,540	9,830	9,051	1,747	29,268	684	4,893
Net OPEB - health liability	12,392	14,408	13,133	2,535	42,468	7,101	994
State trust fund loans	—	—	—	—	—	184,798	—
Bonds payable	1,635,000	—	4,549,418	—	6,184,418	—	—
Unamortized debt insurance premium	30,332	—	—	—	30,332	—	—
Loan payable	—	—	—	—	—	—	11,625
<b>Total liabilities</b>	<b>2,517,345</b>	<b>227,575</b>	<b>5,212,498</b>	<b>22,368</b>	<b>7,979,786</b>	<b>429,811</b>	<b>108,541</b>
<b>Deferred Inflows of Resources</b>							
Deferred inflows related to pensions	117,621	136,756	124,656	24,059	403,092	9,427	67,393
Deferred inflows related to OPEB - life insurance	120	140	127	25	412	10	69
<b>Total deferred inflows of resources</b>	<b>117,741</b>	<b>136,896</b>	<b>124,783</b>	<b>24,084</b>	<b>403,504</b>	<b>9,437</b>	<b>67,462</b>
<b>Net Position:</b>							
Net investment in capital assets	5,388,639	8,099,259	10,089,828	3,155,770	26,733,496	960,018	2,110,556
Restricted	52,942	787,878	—	—	840,820	—	—
Unrestricted	1,907,818	1,074,300	900,734	786,026	4,568,878	(129,058)	968,544
<b>Total net position</b>	<b>7,349,399</b>	<b>9,173,559</b>	<b>11,776,440</b>	<b>3,941,796</b>	<b>32,243,194</b>	<b>830,960</b>	<b>3,079,100</b>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Statement of Revenues, Expenditures and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2018

	Enterprise Funds				Internal Service Funds		
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Totals	Central Equipment Fund	Central Services Fund
<b>Operating Revenues:</b>							
Charges for service	\$ 4,382,885	\$ 1,070,264	\$ 1,496,040	\$ 439,523	\$ 7,388,712	\$ --	\$ --
Forfeited discounts	11,875	4,157	4,117	2,639	22,788	--	--
Interfund charges for services	--	--	--	--	--	350,000	563,534
Other	28,193	3,565	1,489	9,917	43,164	1,160	3,360
<b>Total operating revenues</b>	<b>4,422,953</b>	<b>1,077,986</b>	<b>1,501,646</b>	<b>452,079</b>	<b>7,454,664</b>	<b>351,160</b>	<b>566,894</b>
<b>Operating Expenses:</b>							
Operation and maintenance	3,712,768	663,490	790,041	160,722	5,327,021	234,279	451,858
Depreciation and amortization	466,717	203,845	560,985	163,315	1,394,862	117,805	110,709
Taxes	8,636	11,370	16,292	--	36,298	--	--
<b>Total operating expenses</b>	<b>4,188,121</b>	<b>878,705</b>	<b>1,367,318</b>	<b>324,037</b>	<b>6,758,181</b>	<b>352,084</b>	<b>562,567</b>
<b>Net operating income (expense)</b>	<b>234,832</b>	<b>199,281</b>	<b>134,328</b>	<b>128,042</b>	<b>696,483</b>	<b>(924)</b>	<b>4,327</b>
<b>Nonoperating Revenues (Expenses):</b>							
Interest income	14,226	17,880	20,500	2,495	55,101	181	15,652
Rent income	1,348	34,262	--	--	35,610	--	--
Loss on disposal of assets	--	--	--	--	--	(9,785)	--
Interest and fees on long-term debt	(138,353)	--	(130,853)	--	(269,206)	(14,197)	--
Loss on investments	(824)	(1,766)	(3,183)	--	(5,773)	--	(1,460)
<b>Net nonoperating revenue (expense)</b>	<b>(123,603)</b>	<b>50,376</b>	<b>(113,536)</b>	<b>2,495</b>	<b>(184,268)</b>	<b>(23,801)</b>	<b>14,192</b>
<b>Net income (loss) before contributions</b>	<b>111,229</b>	<b>249,657</b>	<b>20,792</b>	<b>130,537</b>	<b>512,215</b>	<b>(24,725)</b>	<b>18,519</b>
Operating transfers to governmental funds	(8,939)	(10,932)	--	--	(19,871)	--	--
Transfers to governmental funds - pilot	(164,306)	(143,853)	--	--	(308,159)	--	--
Capital contributions	170,899	22,927	231,169	14,900	439,895	--	--
<b>Net increase (decrease) in net position</b>	<b>108,883</b>	<b>117,799</b>	<b>251,961</b>	<b>145,437</b>	<b>624,080</b>	<b>(24,725)</b>	<b>18,519</b>
<b>Net Position, January 1</b>	<b>7,151,396</b>	<b>8,969,622</b>	<b>11,414,058</b>	<b>3,784,925</b>	<b>31,320,001</b>	<b>862,463</b>	<b>3,065,268</b>
Adjustment due to change in accounting principle	89,120	86,138	112,421	11,434	299,113	(6,778)	(4,687)
<b>Net Assets, January 1, adjusted</b>	<b>7,240,516</b>	<b>9,055,760</b>	<b>11,526,479</b>	<b>3,796,359</b>	<b>31,619,114</b>	<b>855,685</b>	<b>3,060,581</b>
<b>Net Position, December 31</b>	<b>\$ 7,349,399</b>	<b>\$ 9,173,559</b>	<b>\$ 11,778,440</b>	<b>\$ 3,941,796</b>	<b>\$ 32,243,194</b>	<b>\$ 830,960</b>	<b>\$ 3,079,100</b>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2018

	Enterprise Funds					Internal Service Funds		
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Totals	Central Equipment Fund	Central Services Fund	
<b>Cash Flows from Operating Activities:</b>								
Receipts from customers	\$ 4,415,035	\$ 1,113,901	\$ 1,490,356	\$ 393,792	\$ 7,413,084	\$	\$	
Payments to suppliers	(3,460,774)	(394,537)	(617,954)	(114,401)	(4,587,666)	(205,358)	(255,659)	
Payments to and on behalf of employees	(183,164)	(260,920)	(239,632)	(42,551)	(726,267)	(20,006)	(161,573)	
Internal activity - payments from (to) other funds	(22,749)	22,096			(653)	350,000	563,534	
Other receipts	29,541	37,827	1,489	9,917	78,774	1,160	3,360	
<b>Net cash provided by operating activities</b>	<b>777,889</b>	<b>518,367</b>	<b>634,259</b>	<b>246,757</b>	<b>2,177,272</b>	<b>125,796</b>	<b>149,662</b>	
<b>Cash Flows from Noncapital Financing Activities:</b>								
Transfers	(173,245)	(154,785)			(328,030)			
<b>Cash Flows from Capital and Related Financing Activities:</b>								
Capital expenditures	(1,084,663)	(321,929)	(167,689)	(18,850)	(1,593,131)	(307,543)	(203,192)	
Proceeds on sale of assets						46,312		
Payments on advances from other funds						(37,483)		
Proceeds received on advances from other funds						200,000		
Proceeds on long-term debt	1,740,000				1,740,000			
Principal paid on long-term debt	(555,000)		(537,808)		(1,092,808)	(95,289)	(2,790)	
Debt issuance costs	(100,869)				(100,869)			
Debt premium	31,105				31,105			
Interest paid on long-term debt	(15,848)		(132,797)		(148,645)	(15,807)		
Contributed capital			207,088		207,088			
<b>Net cash used for capital and related financing activities</b>	<b>14,725</b>	<b>(321,929)</b>	<b>(631,206)</b>	<b>(18,850)</b>	<b>(957,260)</b>	<b>(209,810)</b>	<b>(205,982)</b>	
<b>Cash Flows from Investing Activities:</b>								
Interest received	14,406	18,265	21,159	2,495	56,325	181	15,970	
Purchases of investments	(7,301)	(13,989)	(11,343)		(32,633)		(11,567)	
Proceeds on sale of investments	661	1,416	399,165		401,242		1,171	
<b>Net cash provided by investing activities</b>	<b>7,766</b>	<b>5,692</b>	<b>408,981</b>	<b>2,495</b>	<b>424,934</b>	<b>181</b>	<b>5,574</b>	
<b>Increase (decrease) in cash and equivalents</b>	<b>627,135</b>	<b>47,345</b>	<b>412,034</b>	<b>230,402</b>	<b>1,316,916</b>	<b>(83,833)</b>	<b>(50,746)</b>	
<b>Cash and Equivalents, January 1</b>	<b>883,112</b>	<b>231,864</b>	<b>452,001</b>	<b>446,102</b>	<b>2,013,079</b>	<b>138,999</b>	<b>452,772</b>	
<b>Cash and Equivalents, December 31</b>	<b>\$ 1,510,247</b>	<b>\$ 279,209</b>	<b>\$ 864,035</b>	<b>\$ 676,504</b>	<b>\$ 3,329,995</b>	<b>\$ 55,166</b>	<b>\$ 402,026</b>	
<b>Reconciliation of Cash and Equivalents to Statement of Net Position:</b>								
Cash and equivalents	\$ 1,328,723	\$ 279,209	\$ (507,152)	\$ 676,504	\$ 1,777,284	\$ 55,166	\$ 402,026	
Restricted assets	181,524		1,371,187		1,552,711			
<b>Total cash and equivalents</b>	<b>\$ 1,510,247</b>	<b>\$ 279,209</b>	<b>\$ 864,035</b>	<b>\$ 676,504</b>	<b>\$ 3,329,995</b>	<b>\$ 55,166</b>	<b>\$ 402,026</b>	

The accompanying notes to financial statements are an integral part of these statements.



VILLAGE OF SLINGER  
Slinger, Wisconsin

Statement of Cash Flows  
Proprietary Funds

For the Year Ended December 31, 2018

	Enterprise Funds					Internal Service Funds	
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Totals	Central Equipment Fund	Central Services Fund
\$	234,832	\$ 199,281	\$ 134,328	\$ 128,042	\$ 696,483	\$ (924)	\$ 4,327
Rents received	1,348	34,262	---	---	35,610	---	---
Depreciation	466,717	215,916	548,914	163,315	1,394,862	117,805	110,709
Changes in Assets and Liabilities:							
Receivables	20,275	39,480	(9,800)	(48,370)	1,585	---	---
Advances to other funds	(653)	---	---	---	(653)	---	---
WRS pension accrual	45,322	14,669	12,967	806	73,764	1,123	8,838
OPEB - life insurance accrual	827	963	877	170	2,837	67	475
OPEB - health accrual	1,402	1,630	1,486	287	4,805	803	113
Payables	7,819	12,166	(54,513)	2,507	(32,021)	6,922	25,200
<b>Net cash provided by operating activities</b>	\$ 777,899	\$ 518,367	\$ 634,259	\$ 246,757	\$ 2,177,272	\$ 125,796	\$ 149,662
<b>Noncash Capital and Related Financing Activities:</b>							
Capital asset contributions	\$ 170,899	\$ 22,927	\$ 24,081	\$ 14,900	\$ 232,807	\$ ---	\$ ---

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:  
 Operating income (expense)  
 Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:  
 Rents received  
 Depreciation  
 Changes in Assets and Liabilities:  
 Receivables  
 Advances to other funds  
 WRS pension accrual  
 OPEB - life insurance accrual  
 OPEB - health accrual  
 Payables

Net cash provided by operating activities

Noncash Capital and Related Financing Activities:  
 Capital asset contributions

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF SLINGER**

Slinger, Wisconsin

**Statement of Fiduciary Assets and Liabilities**

**Fiduciary Funds**

December 31, 2018

**Assets:**

Cash and equivalents	\$ 3,672,760
Taxes receivable	2,539,477
Due from other funds	<u>22,410</u>
<b>Total assets</b>	<b><u><u>\$ 6,234,647</u></u></b>

**Liabilities:**

Accounts payable	\$ 29,814
Due to other governmental units	<u>6,204,833</u>
<b>Total liabilities</b>	<b><u><u>\$ 6,234,647</u></u></b>

The accompanying notes to financial statements  
are an integral part of these statements.

1. Summary of Significant Accounting Policies

The Village of Slinger, Wisconsin ("Village") was incorporated in 1869. The Village's major operations include police and fire protection, parks, library and recreation, public works and general administrative services. In addition, the Village owns and operates electric, water, sewer and stormwater utilities.

The Village's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Village are discussed below.

A. Scope of Reporting Entity

This report includes all of the funds of the Village of Slinger. The reporting entity for the Village is based upon criteria established by the Governmental Accounting Standards Board. All functions of the Village of Slinger for which it exercises financial accountability are generally evidenced by an appointment or a voting majority of the other organization's governing board and either (a) an ability of the Village to impose its will on the other organization or (b) the existence of a potential for the component unit to provide specific financial benefits to or impose financial burdens on the Village. This report includes the Redevelopment Authority of the Village of Slinger, which is considered a component unit. It is reported as a blended component unit of the Village. The combined financial statements exclude the School District of Slinger and the Slinger Housing Authority because the Village does not have operational responsibility over these entities.

B. Basic Financial Statements – Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire protection, parks, library and recreation, public works, and general administrative services are classified as governmental activities. The Village's electric, water, sewer and stormwater services are classified as business-type activities.

In the government-wide statement of net position, both the government and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and liabilities as well as long-term debt and obligations. Eliminations have been made to minimize the double-counting of internal activities. The Village's net position is reported in three parts – net investment in capital asset; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Village does not allocate indirect costs. The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

1. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the Village:

1. **General Fund** - The general fund is the general operating fund of the Village. It is used to account for all financial resources except those to be accounted for in another fund.
2. **Capital Projects and Equipment Fund** - These funds are used to levy taxes and borrow funds for capital improvements and purchases such as squad cars and squad equipment, street reconstruction projects and other capital projects not covered under individual department budgets.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles applicable are those similar to those used for business in the private sector. The following is a description of the proprietary funds of the Village:

1. **Enterprise Funds** - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - 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.
2. **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 governments, on a cost-reimbursement basis.

1. Summary of Significant Accounting Policies (continued)  
C. Basic Financial Statements – Fund Financial Statements (continued)

Proprietary Funds (continued)

The Village's internal service funds are presented in the proprietary funds financial statements. Because the only users of the internal services are the Village's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (police, fire, public works, etc.)

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Measurement Focus and Basis of Accounting

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Payments of general long-term debt and capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds allow the accrual basis of accounting, and do not have a measurement focus

E. Financial Statement Items – Government-Wide Statements

- 1 The Village has defined cash and equivalents to include cash on hand, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased

1. Summary of Significant Accounting Policies (continued)  
E. Financial Statement Items – Government-Wide Statements (continued)

- 2 Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period

As discussed in Footnote 2, the Village categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**Government Bonds and Government Agency Bonds:** Valued at the present value of future cash flows. The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Village believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

Interest income is recorded on the accrual basis. Interest income on commingled investments of Village accounting funds is allocated based on average investment balances. Purchases and sales of investments are recorded on a trade-date basis. Realized and unrealized gains and losses of the Village's assets are reported in the statement of revenues, expenditures and changes in fund balances/net position.

- 3 Inventories in the proprietary funds are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and are charged to construction and expense when used

- 4 Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items

- 5 Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are recorded as a receivable and reflected as due to other taxing units on the accompanying Statement of Fiduciary Assets and Liabilities. Taxes are levied in December on the assessed value as of the prior January 1.

1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Items – Government-Wide Statements (continued)

Property Tax Calendar - 2018 Tax Roll:

Levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due to County	July 31, 2019
Personal property taxes due in full	January 31, 2019
Tax Settlement with County and other taxing units:	
First settlement	January 15, 2019
Second settlement	February 20, 2019
Final settlement	August 20, 2019
Tax sale by County - 2018 delinquent real estate taxes	October 2022

6. Capital assets purchased or constructed with an original cost of \$5,000 or more are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to January 1, 2003 are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets in the governmental activities are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land improvements	10 - 40
Buildings	10 - 40
Infrastructure (except traffic signals - 15)	30
Vehicles	4 - 10
Computer equipment	5 - 10
Equipment	7 - 15

Proprietary Funds

The purchases of fixed assets in proprietary funds are capitalized in the accounts. Fixed assets are recorded at cost. Donated fixed assets are recorded at their estimated fair value at the time received. The provision for depreciation is computed at straight-line rates applied to average plant balances. The rates used were approved by the public service commission. The depreciation lives are as follows:

	Years	Years	
Water Plant in Service:			
Source of supply	33	Electric Plant in Service:	
Pumping	20 - 45	Distribution	22 - 34
Water treatment	15	General	7 - 40
Transmission and distribution	20 - 135	Sewer Plant in Service	36
General	7 - 20	Stormwater Plant in Service	30

1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Items – Government-Wide Statements (continued)

Additions to and replacements of Utility plant are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction (capitalized interest) when material. 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, is charged to accumulated depreciation.

Internal Service Fund

The purchases of fixed assets in the internal service fund are capitalized in the accounts. Fixed assets are recorded at cost. The provision for depreciation is computed at straight-line rates applied to average plant balances. The lives are between three and forty years.

7. The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated annual sick leave balances. The liability has been calculated using the vested method.

F. Financial Statement Items – Fund Financial Statements

Governmental Funds – Other Policies

1. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the Village is entitled to the aids.
2. Permits, licenses, penalties, fines, fees, etc. (except cable television fees), public charges for services, public improvement revenues and commercial revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Cable television fees, intergovernmental charges for services, and investment earnings are considered susceptible to accrual and are recorded as earned since they are measurable and available.
3. The proceeds from assessments levied for benefits to property owners for installation of sidewalks, roads, and other improvements are recorded as deferred inflows of resources with revenue recognition being the time the assessment becomes both measurable and available (generally at the time of collection).
4. No allowances for uncollectible accounts have been reflected in the financial statements. Delinquent real estate taxes of the Village are paid in full by the county, which assumes the responsibility for collection. In addition, delinquent user charges are placed on the tax roll if not collected.
5. Long-term advances between funds are recorded as receivable and as nonspendable fund balance by the advancing fund.
6. During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets, service debt, etc. The accompanying financial statements generally reflect such transactions as operating transfers.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

1. Summary of Significant Accounting Policies (continued)  
F. Financial Statement Items – Fund Financial Statements (continued)

Governmental Funds – Other Policies (continued)

- 7 The Governmental Accounting Standards Board ("GASB") has more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:
- **Nonspendable** – Amounts that cannot be spent because they are either not in spendable form (i.e. convertible into cash) or legally required to be maintained intact
  - **Restricted** – Either externally imposed or imposed by law through constitutional provisions or enabling legislation
  - **Committed** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village Board
  - **Assigned** – Amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. The Board has taken no formal action to delegate the authority to assign funds
  - **Unassigned** – The residual classification for the General Fund (fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund), and deficit fund balances within other funds

The Board does not have a formal policy addressing the order in which fund balances will be spent, therefore they use the default of descending order from restricted to unassigned

Proprietary Funds – Other Policies

- 1 The Village of Slinger Sewer and Stormwater utilities user charges are regulated and established by the Village Board. The Village of Slinger Electric and Water Utilities operate under service rules which are established by the Public Service Commission of the State of Wisconsin. Customers are billed monthly for utility services
- 2 The Village of Slinger Utilities are municipal utilities. Municipal utilities are exempt from income taxes and, therefore, no income tax liability is recorded
- 3 The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility's ongoing operations. The principal operating revenues of the Utility 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 Utility/Municipal financed capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

1. Summary of Significant Accounting Policies (continued)

G. Deferred Outflows and Inflows of Resources

The separate financial statement elements, deferred inflows and deferred outflows of resources, represents an increase or decrease in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) or outflow of resources (expenditure) until then. The Village had a number of items that qualify for reporting in these categories. The property taxes are deferred inflows until the upcoming fiscal year. The Village also reports deferred inflows and deferred outflows of resources related to the Wisconsin Retirement System ("WRS") pension, which is described in more detail in note 12. The Village also reports deferred inflows and deferred outflows of resources related to the OPEB – life insurance, which is described in more detail in note 13. The Village also reports deferred outflows of resources related to the OPEB – health, which is described in more detail in note 14.

H. Pension

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/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 benefits terms. Investments are reported at fair value.

I. Other Post-Employment Benefits (OPEB) – Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund ("LRLIF") has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Adoption of New Accounting Guidance

The Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. See notes 13, 14 and 22 for additional information

K. Subsequent Events

Management has evaluated all subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, May 17, 2019. There were no subsequent events that required recognition or disclosure

2. Cash and Equivalents and Investments

Cash and equivalents and investments as shown on the Village's statement of net position are subject to the following risks:

	Cash	Investments	Total
Peity Cash	\$ 100	\$ ---	\$ 100
<b>Custodial Risk:</b>			
Demand deposits	10,379,663	25,443	10,405,106
Money market	834,873	---	834,873
Local Government Investment Pool (LGIP)	---	90,475	90,475
<b>Interest Rate and Credit Risk:</b>			
Government bonds	---	304,190	304,190
Government agency bonds	---	1,981,356	1,981,356
<b>Custodial, Interest Rate and Credit Risk</b>			
Certificates of deposit	---	2,356,435	2,356,435
<b>Total</b>	<b>\$ 11,214,636</b>	<b>\$ 4,757,899</b>	<b>\$ 15,972,535</b>

The Village's cash and investments are reported in the financial statements as follows:

Statement of net position:	
Cash and equivalents	\$ 5,535,739
Investments	4,757,898
Restricted cash and equivalents	2,006,138
Statement of fiduciary net position:	
Cash and equivalents	3,672,760
<b>Total</b>	<b>\$ 15,972,535</b>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in each local and area bank and in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund ("SDGF") in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental entities. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the SIF and is managed by the State of Wisconsin Investment Board. The LGIP 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 and carries investments at amortized cost for purposes of calculating income to participants. At December 31, 2018, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

2. Cash and Equivalents and Investments (continued)

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.dca.state.wi.us/DIVISIONS/Budget-and-Finance/LGIP>.

**Custodial 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's carrying value for demand deposits and other investments subject to custodial risk were \$13,686,869 at December 31, 2018 and the bank's carrying value was \$11,857,396 of which \$1,501,927 was fully insured, \$7,864,901 was collateralized and \$2,490,568 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

Fluctuating cash flows during the year due to the timing of receipt of tax collections, other revenues, and financing sources may have resulted in temporary uninsured balances significantly exceeding the amounts reported under custodial risk.

**Interest Rate Risk:** Is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. Information regarding the exposure of the Village's investments to this risk, using the segmented time distribution model, is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of deposit	\$ 2,356,435	\$ 1,137,953	\$ 1,218,482	\$ ---	\$ ---
Government bonds	304,190	49,862	254,328	---	---
Government agency bonds	1,981,356	429,228	1,552,128	---	---
<b>Total</b>	<b>\$ 4,641,981</b>	<b>\$ 1,617,043</b>	<b>\$ 3,024,938</b>	<b>\$ ---</b>	<b>\$ ---</b>

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities.

Presented below is the ratings for each type of investment:

Type of Investment	Amount	Rating as of Year End	
		AAA	Not Rated
Certificates of Deposit	\$ 2,356,435	\$ ---	\$ 2,356,435
Government bonds	304,190	---	304,190
Government agency bonds	1,981,356	1,981,356	---
<b>Total</b>	<b>\$ 4,641,981</b>	<b>\$ 1,981,356</b>	<b>\$ 304,190</b>

2. Cash and Equivalents and Investments (continued)

The Village invests its funds in accordance with the provisions of the Wisconsin Statutes 66.04(2) and 67.11(2), which are as follows:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Repurchase agreements secured by federal bonds or securities with public depositories.
7. Bonds issued by local exposition districts.
8. Bonds issued by local professional baseball park districts and professional football stadium districts.
9. Bonds issued by the University of Wisconsin Hospitals and Clinic Authority.
10. The Local Government Investment Pool Fund.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. There were no significant violations during the year of legal or contractual provisions of investments or deposits.

The Village categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village does not have any investments that are measured using Level 3 inputs.

Investments' fair value measurements are as follows at December 31, 2018:

Type of Investment	Fair Value			Exempt from Disclosure	Total
	Level 1	Level 2	Level 3		
Demand deposits	\$ 25,443	\$ ---	\$ ---	\$ ---	\$ 25,443
Certificates of deposit	---	---	---	2,356,435	2,356,435
Local Government Investment Pool (LGIP)	---	304,190	---	90,475	304,190
Government agency bonds	---	1,981,356	---	---	1,981,356
<b>Total</b>	<b>\$ 25,443</b>	<b>\$ 2,285,546</b>	<b>\$ ---</b>	<b>\$ 2,446,910</b>	<b>\$ 4,757,899</b>

LGIP is exempt from fair value disclosure due to investments being valued at amortized cost. Certificates of deposit are exempt from fair value disclosures due to investments being valued at cost plus accrued interest earned.

3. Restricted Cash and Equivalents

The Village has restricted cash and equivalents as detailed below as of December 31, 2018:

General Fund:			
Deposit from developer for payment of development costs			\$ 453,427
Electric Utility:			
Special Redemption Fund for payment of principal and interest on debt			\$ 181,524
Sewer Utility:			
Special Redemption Fund for payment of principal and interest on debt			\$ 598,237
Sewerage System Depreciation Fund			772,950
			\$ 1,371,187

4. Interfund Receivables and Payables

Interfund receivables and payables arise in the ordinary course of operations; they are settled monthly. The following is a schedule of interfund receivables and payables at December 31, 2018:

Receivable Fund	Payable Fund	Amount	Purpose
General	Electric	\$ 176,347	Pilot
General	Water	145,610	Pilot
		\$ 321,957	
Agency	General	\$ 22,410	Tax refunds

5. Interfund Transfers

Interfund transfers arise in the ordinary course of operations. Interfund transfers for the year ended December 31, 2018, consisted of the following:

Transfer To	Transfer From	Amount	Purpose
Capital Projects and Equipment	General	\$ 300,000	Capital project funding
General	Electric	\$ 164,306	Tax equivalent - pilot
General	Water	143,853	Tax equivalent - pilot
		\$ 308,159	
General	Electric	8,939	Residual equity transfer
General	Water	10,832	Residual equity transfer
		\$ 19,871	
General	Other governmental funds	\$ 30,000	Debt payments



VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

6. Advances Between Funds

Advances between funds represent interfund long-term loans. The General Fund has advanced funds to TIF District #4 & TIF District #5. No interest is being charged on the outstanding balances. The General Fund has advanced funds to the Central Equipment Fund. No interest is being charged on the outstanding balances. The RDA Fund has advanced funds to TIF District #4. The TIF District #4 is being charged interest at the current board approved rate of 3.25% on one of the advances; no interest is being charged on the other advance. The Water Utility and Electric Utility has advanced funds to TIF District #5. No interest is being charged on the outstanding balances.

Advances to Central Equipment Fund:

	January 1, 2018	Additions	Repayments	December 31, 2018
Advancing Fund	\$ ---	\$ 200,000	\$ 37,483	\$ 162,517
General fund				

Advances to TIF District #4:

	January 1, 2018	Additions	Repayments	December 31, 2018
Advancing Fund	\$ 39,616	\$ 6,743	\$ ---	\$ 46,359
General fund	188,149	4,264	50,000	142,413
RDA	227,765	11,007	50,000	188,772

Advances to TIF District #5:

	January 1, 2018	Additions	Repayments	December 31, 2018
Advancing Fund	\$ 21,118	\$ 15,530	\$ ---	\$ 36,648
General fund	22,963	653	---	23,216
Electric Utility	54,855	---	---	54,855
Water Utility	98,536	16,183	---	114,719

7. Loans and Notes Receivable

On April 2, 2012 the board approved the issuance of a \$100,000 loan to a local business owner. The loan is to be paid back to the Village over a seven year term, with an annual interest rate of 3.25%. Various equipment of the loan recipient is pledged as collateral.

Date of Issue	Interest Rate	Original Amount	12/31/18 Balance	Due Within One Year
2012	3.25%	\$ 100,000	\$ 6,610	\$ 6,610
Year ended December 31, 2019		Principal	Interest	
		\$ 6,610	\$ 54	

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

8. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

Governmental Activities:	12/31/17	Increase	Decrease	12/31/18
Capital assets not being depreciated:				
Land	\$ 5,604,544	\$ 28,650	\$ ---	\$ 5,633,194
Construction in progress	11,521	1,115,034	---	1,126,555
Total capital assets not being depreciated	5,616,065	1,143,684	---	6,759,749
Capital assets being depreciated:				
Buildings and improvements	5,299,216	72,047	---	5,371,263
Infrastructure	9,882,035	198,985	---	10,081,020
Vehicles	956,871	103,696	40,844	1,019,723
Machinery and equipment	1,826,668	309,023	162,237	1,973,454
Total capital assets being depreciated	17,964,790	683,751	203,081	18,445,460
Less accumulated depreciation	9,092,875	638,016	144,983	9,585,908
Total capital assets being depreciated, net	8,871,915	45,735	58,098	8,859,552
Governmental activity capital assets, net	\$ 14,487,980	\$ 1,189,419	\$ 58,098	\$ 15,619,301

Business-type activities:

Business-type activities:	12/31/17	Increase	Decrease	12/31/18
Capital assets not being depreciated:				
Land	\$ 400,307	\$ ---	\$ ---	\$ 400,307
Construction in progress	456,995	302,785	---	759,780
Total capital assets not being depreciated	857,302	302,785	---	1,160,087
Capital assets being depreciated:				
Buildings and improvements	13,748,206	33,752	7,934	13,774,024
Machinery and equipment	33,641,885	1,489,403	36,529	35,094,759
Total capital assets being depreciated	47,390,091	1,523,155	44,463	48,868,783
Less accumulated depreciation	15,084,293	1,394,862	44,463	16,434,692
Total capital assets being depreciated, net	32,305,798	128,293	---	32,434,091
Business-type activities capital assets, net	\$ 33,163,100	\$ 431,078	\$ ---	\$ 33,594,178

Governmental activity capital assets include \$185,400 of equipment acquired under a capital lease. Amortization of leased equipment under capital assets is included with depreciation expense.

Depreciation expense for governmental activities was charged to functions as follows:

Public safety	\$ 34,741
Public works	312,775
Parks and recreation	47,797
Library	14,188
Unallocated	228,515
	<u>\$ 638,016</u>

VILLAGE OF SLINGER  
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Notes to Financial Statements  
December 31, 2018  
(Continued)

9. Long-term Debt

The following is a summary of long-term debt obligations of the Village for the year ended December 31, 2018.

	Balance 12/31/17	Increase	Decrease	Balance 12/31/18	Amounts Due Within One Year
<b>Governmental activities:</b>					
Long-term debt					
State trust fund loan	\$ 300,000	\$ ---	\$(57,151)	\$ 242,849	\$ 58,051
Promissory notes	17,205	---	(2,790)	14,415	2,790
Total long-term debt	317,205	---	(59,941)	257,264	60,841
Capital leases	38,138	---	(38,138)	---	---
<b>Total long-term obligations</b>	<b>\$ 355,343</b>	<b>\$ ---</b>	<b>\$(98,079)</b>	<b>\$ 257,264</b>	<b>\$ 60,841</b>
<b>Business-type activities:</b>					
Long-term debt					
General obligation debt	\$ 2,385,000	\$ ---	\$(200,000)	\$ 2,185,000	\$ 225,000
Revenue bonds	3,828,490	1,740,000	(892,808)	4,675,682	451,254
<b>Total long-term obligations</b>	<b>\$ 6,213,490</b>	<b>\$ 1,740,000</b>	<b>\$(1,092,808)</b>	<b>\$ 6,860,682</b>	<b>\$ 676,254</b>

Long-term debt payable at December 31, 2018 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates	Date of Maturity	Issued Amount	Balance 12/31/18
<b>Governmental activities:</b>					
Promissory notes	02/28/14	0.00%	02/28/24	\$ 27,900	\$ 14,415
State trust fund loan (STFL)	04/17/17	3.00%	03/15/22	300,000	242,849
				\$ 327,900	\$ 257,264
<b>Business-type activities:</b>					
Electric Utility:					
Revenue bonds	8/9/18	3.00 - 3.50%	6/1/28	\$ 645,000	\$ 645,000
Revenue bonds	8/9/18	3.75 - 4.25%	6/1/38	1,095,000	1,095,000
Sewer Utility:					
Clean water fund loan	05/01/04	2.75%	05/01/23	1,779,260	566,376
Clean water fund loan	05/01/08	2.39%	05/01/27	4,146,535	2,369,306
G.O. bonds	11/02/11	0.5 - 2.80%	11/01/26	4,560,000	2,185,000
				\$ 12,225,795	\$ 6,860,682

On June 9, 2016, the Village defeased \$1,065,000 of Business-type activity General Obligation Refunding Bonds by opening an escrow account to meet future debt service requirements as they become due. As of December 31, 2018, \$930,000 of the defeased bonds to be paid by the escrow account remained outstanding.

During 2018, the Village used \$450,000 of electric revenue bonds proceeds to pay off a previous electric revenue bonds. The payoff was considered a current refunding and there was no economic gain or loss required.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

9. Long-term Debt (continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2018, including interest payments of \$1,197,902, are shown below.

Year Ended Dec. 31,	STFL and G.O. Debt Principal	STFL and G.O. Debt Interest	Rev. Bonds Principal	Rev. Bonds Interest	Promissory Notes Principal	Promissory Notes Interest	Total
2019	\$ 283,051	\$ 60,380	\$ 451,264	\$ 150,076	\$ 2,790	\$ ---	\$ 947,562
2020	309,778	54,604	474,933	117,673	2,790	---	959,777
2021	336,586	47,798	483,820	104,650	2,790	---	975,641
2022	338,434	39,898	482,930	91,376	2,790	---	965,427
2023	275,000	31,670	482,268	78,168	2,790	---	869,896
2024-2028	865,000	50,595	1,650,467	232,380	465	---	2,818,907
2029-2033	---	---	295,000	101,475	---	---	396,475
2034-2028	---	---	345,000	37,163	---	---	382,163
	\$ 2,427,849	\$ 284,943	\$ 4,675,682	\$ 912,959	\$ 14,415	\$ ---	\$ 8,315,846

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of the taxable property within the Village. The debt limit, as of December 31, 2018, was \$28,682,530. General obligation debt subject to the limit totaled \$2,427,849 as of December 31, 2018.

The borrowing resolutions for the Electric and Sewerage System Revenue Bonds contained a number of conditions and restrictions. The system revenue bonds are secured by a pledge of revenues of the respective utility. They require that the following funds be created:

Clean Water Fund

The clean water fund borrowings require a special redemption fund for the payment of principal and interest. The amount to be deposited shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing. The amount required to be deposited at December 31, 2018 was \$236,865. The balance of the fund at December 31, 2018 was \$588,237.

Electric Utility Revenue Bonds

The electric utility revenue bonds require a special redemption fund for the payment of principal and interest. The amount to be deposited shall be not less than the lesser of (a) 10% of the stated principal amount of the bonds and the concurrent obligations; (b) 1.25 times the average annual balance remaining to be paid; or (c) the maximum annual debt service on the outstanding bonds. The amount required to be deposited at December 31, 2018 was \$146,819. The balance of the fund at December 31, 2018 was \$181,524.

Equipment Replacement Fund

Annual deposits are required in amounts sufficient to meet equipment replacement needs. The funds are to be used for replacement and major repair of equipment necessary for the operation of the sewerage system. The balance of the fund at December 31, 2018 was \$772,950.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

9. Long-term Debt (continued)

Electrical Rate Covenant

The Village is required to establish, charge and collect rates and charges for electrical services so that net revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenues of the electric utility each year. The amount of required net revenues at December 31, 2018 was \$233,921. The amount of the net revenues for the year ended December 31, 2018 was \$681,987.

10. Fund Balances

As of December 31, 2018, governmental fund balances are composed of the following:

	General Fund	Capital Projects and Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Long-term loan receivable	\$ 245,524	\$ ---	\$ 6,610	\$ 6,610
Long-term advance	29,461	---	142,413	387,937
Delinquent taxes	---	---	---	29,461
<b>Restricted:</b>				
Debt service	---	---	13,764	13,764
Parks	---	---	89,155	89,155
Parks, Recreation & Forestry	---	---	6,392	6,392
Library	---	---	506,304	506,304
Veteran memorial	---	---	1,149	1,149
Public celebration	---	---	6,795	6,795
Municipal building expansion	---	---	64,027	64,027
RDA	---	---	565,194	565,194
<b>Unassigned</b>	2,226,104	(281,458)	(296,865)	1,647,781
Total fund balances	\$ 2,501,089	\$ (281,458)	\$ 1,084,938	\$ 3,304,569

VILLAGE OF SLINGER  
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Notes to Financial Statements  
December 31, 2018  
(Continued)

11. Net Position

Net Position at December 31, 2018 consisted of the following:

	Governmental Activities	Business-type Activities
<b>Net investment in capital assets:</b>		
Land and construction in progress	\$ 6,759,749	\$ 1,160,087
Other capital assets net of accumulated depreciation	8,859,552	32,434,091
Less: related long term debt	(257,264)	(6,891,014)
Total net investment in capital assets	15,362,037	26,703,164
<b>Restricted:</b>		
Debt Service	13,764	67,870
Replacement fund	---	772,950
Recreation	75,547	---
Library	506,304	---
Capital Projects	714,217	---
Other	71,971	---
Unrestricted	2,731,700	4,699,210
Total net position	\$ 19,475,540	\$ 32,243,194

12. Defined Benefit 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.html>.

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 executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

12. Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

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

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

WRS also provides death and disability benefits for employees.

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	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

12. Defined Benefit Pension Plan (Continued)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as for 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 (calendar year 2017), the WRS recognized \$162,786 in contributions from the employer

Contribution rates as of December 31, 2018 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.70%	6.70%
Protective with Social Security	6.70%	10.70%
Protective without Social Security	6.70%	14.90%

Pension Asset (Liabilities), Pension Expense and Deferred Outflows and Deferred Inflows of Resources

At December 31, 2018, the Village reported an asset of \$460,165 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 0.0155%, which was an increase of 0.0005% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$324,294

At December 31, 2018, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 584,650	\$ 273,480
Changes in assumptions	90,919	
Net difference between projected and actual earnings on pension plan investments	492,510	1,124,963
Changes in proportion and differences between employer contributions and proportionate share of contributions	929	8,512
Employer contributions subsequent to the measurement date	1,335,043	
Total	\$ 1,335,043	\$ 1,406,955

12. Defined Benefit Pension Plan (Continued)  
Actuarial Assumptions

The amount of \$166,035 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (liability) asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	Deferred Outflows	Deferred Inflows of
December 31,	of Resources	Resources
2019	\$ 467,592	\$ (419,892)
2020	413,762	(419,879)
2021	148,319	(308,565)
2022	136,231	(256,614)
2023	1,104	(5)

The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the asset calculated from the December 31, 2016 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.

12. Defined Benefit Pension Plan (Continued)  
Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2017 are summarized in the following table:

Asset Allocation Targets and Expected Returns As of December 31, 2017			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<b>Variable Fund Asset Class</b>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%  
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

**Single Discount rate.** A single discount rate of 7.20% was used to measure the total pension asset. 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 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension 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 percent, as well as what the Village's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

12. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Village's proportionate share of the net pension asset (liability)	\$1,190,603	\$460,165	\$ 1,714,800

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

Payables to the Pension Plan

Payables to the pension plan at December 31, 2018 were \$23,670. This represents contributions earned as of December 31, 2018, but for which payment was not remitted to the pension plan until subsequent to year-end.

13. Other Post-Employment Benefits (OPEB) – Life Insurance

Plan Description

The Local Retiree Life Insurance Fund ("LRLIF") is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

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

Benefits provided

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

Contributions

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

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

13. Other Post-Employment Benefits (OPEB) – Life Insurance (Continued)

Contributions (Continued)

Contribution rates as of December 31, 2018 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$644 in contributions from the employer

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, the Village reported a liability of \$102,159 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the Village's proportion was 033956%, which was an increase of 0002% from its proportion measured as of December 31, 2016.

13. Other Post-Employment Benefits (OPEB) – Life Insurance (Continued)  
OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended December 31, 2018, the Village recognized OPEB expense of \$10,550.

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	\$ 1,439
Net difference between projected and actual earnings on OPEB plan investments	1,176	---
Changes in assumptions	9,872	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,453	---
Employer contributions subsequent to the measurement date	579	---
<b>Total</b>	<b>\$ 14,080</b>	<b>\$ 1,439</b>

The amount of \$579 reported as deferred outflows related to OPEB resulting from the employers contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 2,181	\$ 220
2020	2,181	220
2021	2,181	220
2022	2,181	220
Thereafter	4,777	559

13. Other Post-Employment Benefits (OPEB) – Life Insurance (Continued)  
Actuarial assumptions

The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases	3.20%
Inflation:	0.2% - 5.6%
Seniority/Merit:	Wisconsin 2012 Mortality Table
Mortality:	

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRUIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRUIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2017

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

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Notes to Financial Statements  
December 31, 2018  
(Continued)

13. Other Post-Employment Benefits (OPEB) – Life Insurance (Continued)

**Single Discount rate.** A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

**Sensitivity of the Village's proportionate share of the net OPEB liability to changes in the discount rate.** The following presents the Village's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the Village's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase To Discount Rate (4.63%)
Village's proportionate share of the net OPEB liability	\$ 144,390	\$ 102,159	\$ 69,752

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://efi.wi.gov/publications/csafr.htm>.

14. Other Post-Employment Benefits (OPEB) - Health

The Village group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post-employment benefit (OPEB) commonly referred to as an implicit rate subsidy. Employees participating in the OPEB benefit consisted of the following at December 31, 2017, the date of the latest valuation:

Retirees	1
Active	31
Number of participating employees	32

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Notes to Financial Statements  
December 31, 2018  
(Continued)

14. Other Post-Employment Benefits (OPEB) – Health (Continued)

Actuarial Assumptions

The major assumptions and methods used in the latest actuarial valuation follows:

Valuation date	12/31/2017
Measurement date	12/31/2017
Reporting date	12/31/2018
Actuarial cost method	Entry Age Normal - Level % of Salary
Actuarial assumptions:	
Medical care trend	Actual first year increase, then 7.00% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Discount rate*	3.50% (based upon all years of projected payments discounted at a municipal bond rate of 3.50%)
Municipal rate source	Bond buyer 20-bond GO index
Mortality assumptions	Wisconsin 2012 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012-2014. The projection of cash flows used to determine the single discount rate assumed that the plan would continue to be funded on a pay-as-you-go basis. Based on these assumptions, the 20-year AA municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

\*Implicit in this rate is an assumed rate of inflation of 2.50%

**Single Discount rate.** A discount rate of 3.50% was used in calculating the District's OPEB liability based upon all projected payments discounted at a municipal bond rate of 3.50%. The discount rate is based on the 20-year AA municipal bond rate.

Total OPEB Liability

No assets are accumulated in a trust that meets all the criteria in GASB Statement No. 75 paragraph 4 because the Village's contributions are not irrevocable. Accordingly, the Village's total OPEB liability is not reduced by any assets accumulated in a trust that meets the criteria and the Village must report its total OPEB liability.

The Village's total OPEB liability is based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the Village. The following table shows the components of the Village's change in the net OPEB liability:

Balance 12/31/16	\$ 130,363
Benefit payments made in the prior fiscal year	—
Changes of assumptions or other input	13,074
Service cost	4,792
Interest	17,866
Net changes	\$ 148,229
Balance 12/31/17	\$ 148,229



14. Other Post-Employment Benefits (OPEB) - Health (Continued)  
Total OPEB Liability (Continued)

*Sensitivity of the Village's OPEB liability to changes in the discount rate.* The following presents the Village's OPEB liability calculated using the discount rate of 5.50 percent, as well as what the Village's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease to Discount Rate (2.50%)	Current Discount Rate (3.50%)	1% Increase To Discount Rate (4.50%)
Village's OPEB liability	\$ 161,647	\$ 148,229	\$ 135,869

  

*Sensitivity of the Village's OPEB liability to changes in Healthcare Cost Trend Rates.* The following presents the Village's OPEB liability calculated using the healthcare cost trend rates of 7.00 percent, as well as what the Village's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease To Healthcare Cost Trend (Actual first year increase, then 6.0% Decreasing To 4.0%)	Current Healthcare Cost Trend (Actual first year increase, then 6.0% Decreasing To 4.0%)	1% Increase To Healthcare Cost Trend (Actual first year increase, then 8.0% Decreasing To 6.0%)
Village's OPEB liability	\$ 133,424	\$ 148,229	\$ 165,943

OPEB Expense, Deferred Outflows or Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$16,768. At December 31, 2018, the Village reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes in assumptions	---	---
Net difference between projected and actual earnings on pension plan investments	---	---
Changes in proportion and differences between employer contributions and proportionate share of contributions	---	---
Employer contributions subsequent to the measurement date	1,098	---
<b>Total</b>	<b>\$ 1,098</b>	<b>\$ ---</b>

The amount of \$1,098 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

Payable to the OPEB Plan

At December 31, 2018, there were no payables due to the OPEB Plan.

15. Utility and Sewer Rates

A. Electric Utility

Current electric rates were approved by the Public Service Commission of Wisconsin (PSCW) on December 21, 2006 and placed into effect by the utility on January 5, 2007. These rates were designed to provide a 6.50% return on rate base.

B. Water Utility

Current water rates were approved by the PSCW on January 19, 2011 and placed into effect on January 31, 2011. The rates were designed to provide a 3.00% return on rate base. In addition, the Village bills residents who are not general service customers of the utility for the public fire protection fee in the amount of \$5.40 per month.

C. Sewer Rates

Current sewer rates were put in place on January 1, 2018. The following are the components of the sewer rates.

Customer charge per REC	\$ 6.96
Flow charge per 1,000 gl.	9.16

D. Stormwater Utility

Current stormwater utility user fees were put in place on January 1, 2018. The utility charges user fees in the amount of \$100.00 per Equivalent Runoff Unit.

16. Tax Incremental Financing Districts

A. Tax Incremental District No. 4

The Village of Slinger Tax Incremental District No. 4 was created on August 3, 2015 pursuant to the tax increment law contained in Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated to the increased value of property after the creation date of the district. The tax on the increased value is called tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until five years after the last project expenditure, whichever occurs first. Project expenditures may not be made later than fifteen years after the district has been created. Accordingly, the maximum statutory life of a tax incremental district No. 4 is twenty years.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

16. Tax Incremental Financing Districts (Continued)

A. Tax Incremental District No. 4 (Continued)

The following is a summary of net project costs to be recovered for the Village's Tax Incremental District No. 4 at December 31, 2018 (cumulative from the date of creation):

Accumulated project revenues:	
Tax increments	\$ 146,228
Interest income	308
Total	<u>146,536</u>
Accumulated project expenditures:	
Administration	75,937
Development costs	246,027
Interest on advance	10,463
Total	<u>332,427</u>
Net project costs to be recovered	\$ <u>185,891</u>

B. Tax Incremental District No. 5

The Village of Slinger Tax Incremental District No. 5 was created on May 10, 2016 pursuant to the tax increment law contained in Section 66.1105 of the Wisconsin Statutes. The District was created as a rehabilitation or conservation district. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated to the increased value of property after the creation date of the district. The tax on the increased value is called tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until five years after the last project expenditure, whichever occurs first. Project expenditures may not be made later than twenty-two years after the district has been created. Accordingly, the maximum statutory life of a tax incremental district No. 5 is twenty seven years.

The following is a summary of net project costs to be recovered for the Village's Tax Incremental District No. 5 at December 31, 2018 (cumulative from the date of creation):

Accumulated project revenues:	
Tax increments	\$ 16,171
Interest income	65
Total	<u>16,236</u>
Accumulated project expenditures:	
Administration	22,856
Development costs	104,254
Total	<u>127,210</u>
Net project costs to be recovered	\$ <u>110,974</u>

VILLAGE OF SLINGER  
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Notes to Financial Statements  
December 31, 2018  
(Continued)

17. Fund Deficits

The basic financial statements include the following funds with cumulative fund deficits at December 31, 2018. The deficits will be absorbed through future years' revenues and tax increments.

Fund	Deficit
Capital projects fund:	
TIF District #4	\$ 185,891
TIF District #5	110,974
Capital Projects and Equipment Fund	281,456

18. Redevelopment Authority of the Village of Slinger

In a prior year, the Village created the Redevelopment Authority of the Village of Slinger, Wisconsin (Authority). The Authority was created pursuant to Wisconsin Statutes and is a separate and distinct public body. The purpose of the Authority is to carry out qualified redevelopment projects as allowed by state statutes.

The Village appoints a voting majority of the Redevelopment Authority's governing body, and can remove appointed members of the governing board at will. Therefore, in accordance with the criteria provided by GASB, the Authority is reported as a blended component unit of the Village. The blended method of reporting the financial data of the Authority presents the Authority's balances and transactions in a manner similar to that of the Village.

19. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. There have been no significant reductions in insurance coverage over the past year. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

20. Commitments and Contingencies

A. Grants

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

B. Fire Fighting Contract

The Village of Slinger has a long-standing contract agreement with the Slinger Fire Department, Inc. The agreement specifies that the Village shall pay based on the prior year level multiplied by the Village's rate of net new construction or the levy limit percentage, whichever is greater. The Slinger Fire Department, Inc. is not a component unit of the Village. The Village paid \$267,922 for fire protection in 2018.

20. Commitments and Contingencies (Continued)

C. The Wisconsin Public Power Incorporated System (WPPI) Contract

The Slinger Electric Utility purchases its electric requirements from the Wisconsin Public Power Incorporated System (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The Slinger Electric Utility is one of numerous members of WPPI located throughout the state of Wisconsin, Iowa and Michigan. On December 1, 1989, each of WPPI's members, including Slinger, commenced purchasing electric service from WPPI under a new Long Term Power Supply Contract for Participating Members (the Long Term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term.

Under the Long-Term Contract, the Slinger Electric Utility and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover WPPI's entire revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality.

On September 9, 2015, the Village signed an amended WPPI contract that established a new forty (40) year term. This amendment extends the original contract through December 31, 2055.

The Slinger Electric Utility has agreed to charge rates to its customers sufficient to meet its obligations to WPPI. The Long-Term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Slinger Electric Utility.

The Long-Term Contract may be terminated by either party upon five years' prior written notice effective at the end of the thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

D. Litigation

From time to time, the Village is involved in legal actions, most of which normally occur in governmental operations. Legal actions are generally defended by the Village's various insurance carriers, since most claims brought against the Village are covered by insurance policies. In the opinion of Village management, any legal actions and any other proceedings known to exist at December 31, 2018, are not likely to have a material adverse impact on the Village's financial position.

20. Commitments and Contingencies (Continued)

E. Recapture Agreement

Tax Incremental District No. 4

The Village entered into a development agreement during the period ending December 31, 2015. This agreement established that the Village shall pay, subject to tax increments, up to \$670,000 to the developer, installment payments will be made on October 31 of each year, beginning on October 31, 2017, ending on October 31, 2031, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2031 the full \$670,000 has not been paid, this agreement will be considered paid in full.

The Village entered into an additional development agreement with the same developer during the period ending December 31, 2016. This agreement established that the Village shall pay, subject to tax increments, up to \$258,000 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2018, ending on October 31, 2033, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2033 the full \$258,000 has not been paid, this agreement will be considered paid in full.

The Village entered into an additional development agreement with the same developer during the period ending December 31, 2017. This agreement established that the Village shall pay, subject to tax increments, up to \$418,000 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2020, ending on October 31, 2033, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2033 the full \$418,000 has not been paid, this agreement will be considered paid in full.

Total payments amounted to \$93,004 as of December 31, 2018.

Tax Incremental District No. 5

The Village entered into a development agreement during the period ending December 31, 2016. This agreement established that the Village shall pay, subject to tax increments, up to \$1,018,481 to the developer, installment payments will be made on October 31 of each year, beginning on October 31, 2018, ending on October 31, 2040, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2040 the full \$1,018,481 has not been paid, this agreement will be considered paid in full. Total payments amounted to \$8,488 as of December 31, 2018.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

20. Commitments and Contingencies (Continued)

F. Other

At the end of 2014, the Village entered into a contract engaging the City of Hartford as an independent contractor to provide operating services to the Village's electric utility. Either party can terminate the contract upon twelve months' prior written notice to the other party.

During 2016, the Village entered into a contract engaging the Village of Richfield as an independent contractor to provide building inspection services to the Village. The contract requires the Village to pay a portion of the Village of Richfield's annual budgeted expenses related to inspection services and an additional administrative fee of 6.5%. The term of the agreement is January 1, 2017 through December 31, 2021. The agreement will automatically renew annually unless 365 day written notice has been given. Either party can terminate the contract upon twelve months' prior written notice to the other party.

The Village has entered into two contracts for water tank maintenance. The contracted company will annually inspect and service the tank beginning in 2005 on the first contract, and in 2010 on the second contract. The company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The contracts will continue for an indefinite period provided the annual fee is paid in accordance with the terms of payment as follows:

Year ended	2005	2010
December 31,	Contract	Contract
2019	\$ 14,736	\$ 23,936

The annual fee on the 2005 contract is now a year to year contract, and can be adjusted up or down, to reflect the current cost of services. The adjustments shall be limited to a maximum of 5% annually. Starting in 2020 the annual fee on the 2010 contract can be adjusted every three years, up or down, to reflect the current cost of services. The adjustments shall be limited to a maximum of 5% annually.

During 2015, the Village entered into a contract for an independent contractor to inspect and document its findings on the portable water distribution system within the community, which runs through June 30, 2019. The Village will pay a rate of \$1,433 per month.

During 2018, the Village entered into a construction contract for the expansion of the Department of Public Works building in the amount of \$251,000. As of December 31, 2018, \$108,128 has been paid or accrued on this contract; the remaining commitment on the contract was \$142,872.

The Village entered into a contract for hauling biosolids contact through December 31, 2022. The Village will pay a rate of \$0.024 for 2018-2019 and \$0.025 for 2020-2022 per gallon of biosolids plus a fuel surcharge if fuel goes above \$4.00 per gallon.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2018  
(Continued)

21. Lease as Lessor

The Village has entered into a lease agreement with a telecommunications company, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. The lease expires on April 30, 2022 and automatically renews each year unless a six month notice of cancellation is given by the lessee. Payments received on these leases totaled \$27,504 for the year ended December 31, 2018. Future minimum lease payments receivable in conjunction with these leases are as follows:

Year:	Amount
2019	\$ 27,504
2020	27,504
2021	27,504
<b>Total</b>	<b>\$ 82,512</b>

22. Adjustment Due to Change in Accounting Principle

The Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement modified requirements for the accounting and financial statement reporting for postemployment benefits. The Village participates in the Local Retiree Life Insurance Fund which is a multi-employer defined benefit OPEB plan as well as an OPEB plan for health. Due to the application of GASB Statement No. 75, a prior period adjustment of \$1,147,311 in the governmental activities funds was recorded for the OPEB liability on the statement of activities, which included \$(6,778) and \$(4,687), respectively, in the central equipment and central services internal service funds. Due to the application of GASB Statement No. 75, a prior period adjustment of \$299,113 in the business-type activities was recorded for the OPEB liability on the statement of activities.

Business-Type Activities:	\$
Electric Utility	89,120
Water Utility	86,138
Sewer Utility	112,421
Stormwater Utility	11,434
<b>Total enterprise funds</b>	<b>\$ 299,113</b>

23. Effect of New Accounting Standards on Financial Statements

The Government Accounting Standards Board (GASB) has approved the following

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omniibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, Including Director Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest-Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*

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

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Financial Statements**  
December 31, 2018  
(Continued)

**23. Signed Asset Purchase Agreement**

During May 2016 the Village signed an agreement with Wisconsin Electric Power Company (Company) for the right to provide electrical services within the Company's distribution territory. The initial term of the agreement is 10 years. During October 2017, the Village signed an agreement to purchase service equipment from the Company in the amount of \$868,669. The agreements were approved by the Public Service Commission of Wisconsin in 2018.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SLINGER  
Slinger, Wisconsin

Budgetary Comparison Schedule  
General Fund

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenue</b>				
Taxes	\$ 2,327,770	\$ 2,327,769	\$ 2,317,775	\$ (9,994)
Intergovernmental	338,702	338,702	337,668	(1,034)
Licenses and permits	301,900	301,900	313,970	12,070
Fines, forfeits and penalties	91,000	91,000	81,515	(9,485)
Public charges for services	123,650	123,650	123,801	151
Intergovernmental charges for services	22,000	22,000	20,903	(1,097)
Miscellaneous	51,000	51,000	66,965	15,965
<b>Total revenues</b>	<b>3,256,022</b>	<b>3,256,021</b>	<b>3,262,597</b>	<b>6,576</b>

**Expenditures**

**General Government:**

Village Board	98,108	62,805	38,476	24,329
Committees	2,600	2,600	1,760	840
Legal	65,000	65,000	44,926	20,074
Village President	5,683	5,683	5,475	208
Village Administrator	27,247	27,590	26,433	1,147
Clerk	44,913	45,984	44,405	1,579
Elections	5,200	5,200	7,251	(2,051)
Treasurer	22,929	23,345	24,496	(1,151)
Assessment of property	17,880	17,880	18,204	(324)
Municipal building	67,163	67,163	67,163	---
<b>Total general government</b>	<b>356,723</b>	<b>323,240</b>	<b>278,589</b>	<b>44,651</b>

**Public Safety:**

Police administrative	323,161	327,642	320,110	7,532
Police enforcement	1,143,487	1,148,938	1,126,295	20,643
Fire protection	477,622	477,622	478,247	(625)
Inspection	105,843	105,843	105,326	517
Disaster control	750	750	750	---
<b>Total public safety</b>	<b>2,050,863</b>	<b>2,060,795</b>	<b>2,032,728</b>	<b>28,067</b>

See Independent Auditors' Report and Notes to Required Supplementary Information

VILLAGE OF SLINGER  
Slinger, Wisconsin

Budgetary Comparison Schedule  
General Fund

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Public Works:</b>				
Administration	\$ 146,684	\$ 149,325	\$ 142,301	\$ 7,024
Highway and street maintenance and construction	261,943	264,612	266,306	(1,694)
Road related facilities	45,000	45,000	38,247	6,753
Street lights	70,000	70,000	66,218	3,782
Sidewalks	3,000	3,000	4,348	(1,348)
Refuse and garbage collection	288,450	301,200	282,721	8,479
Recycling collection	87,097	88,489	88,241	2,248
<b>Total public works</b>	<b>902,144</b>	<b>921,626</b>	<b>878,382</b>	<b>43,244</b>
<b>Health and Human Services:</b>				
Animal control	541	541	541	---
<b>Culture, Recreation and Education:</b>				
Parks	157,960	190,405	189,432	973
Forestry	27,540	27,762	23,660	4,102
<b>Total culture, recreation and education</b>	<b>185,500</b>	<b>218,167</b>	<b>213,092</b>	<b>5,075</b>
<b>Conservation and Development:</b>				
Planning	110,000	110,000	98,378	11,622
<b>Total conservation and development</b>	<b>110,000</b>	<b>110,000</b>	<b>98,378</b>	<b>11,622</b>
<b>Total expenditures</b>	<b>3,605,771</b>	<b>3,634,369</b>	<b>3,501,710</b>	<b>132,659</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(349,749)</b>	<b>(378,348)</b>	<b>(239,113)</b>	<b>139,235</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	---	---	30,000	30,000
Transfers - pilot	328,895	328,895	306,159	(20,736)
Operating transfers from proprietary funds	20,854	20,854	19,871	(983)
Operating transfers out	---	(300,000)	(300,000)	---
<b>Net change in fund balances</b>	<b>---</b>	<b>(328,599)</b>	<b>(181,093)</b>	<b>147,516</b>
<b>Fund Balances, January 1</b>	<b>2,682,172</b>	<b>2,682,172</b>	<b>2,682,172</b>	<b>---</b>
<b>Fund Balances, December 31</b>	<b>\$ 2,682,172</b>	<b>\$ 2,353,573</b>	<b>\$ 2,501,089</b>	<b>\$ 147,516</b>

See Independent Auditors' Report and Notes to Required Supplementary Information

VILLAGE OF SLINGER  
Slinger, Wisconsin

Schedule of Changes in Total OPEB - Health Liability and Related Ratios  
December 31, 2018  
Last 10 Fiscal Years\*

	2018
<b>Total OPEB Liability</b>	
Service Cost	\$ 13,074
Interest	4,792
Change of benefit terms	---
Differences between expected and actual experiences	---
Changes in assumptions or other input	---
Benefit payments	---
<b>Net change in total OPEB liability</b>	<u>17,866</u>
<b>Total OPEB liability - beginning</b>	<u>130,363</u>
<b>Total OPEB liability - ending</b>	<u>\$ 148,229</u>
<b>Covered-employee payroll</b>	<u>\$ 1,829,257</u>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>8.10%</b>

\*GASB Pronouncement 75 requires the presentation of the last ten prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See Independent Auditors' Report and Notes to  
Required Supplementary Information

VILLAGE OF SLINGER  
Slinger, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset (Liability)  
Year Ended December 31, 2018

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	Village's proportion of the net pension asset (liability)	Village's proportionate share of the net pension asset (liability)	Village's covered payroll	Net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension asset (liability)
2018	0.0155%	\$ 460,165	\$ 1,960,674	23.47%	102.9%
2017	0.0150%	(123,287)	1,891,378	6.52%	99.1%
2016	0.0150%	(236,743)	1,838,598	12.88%	98.2%
2015	0.0150%	356,934	1,737,333	20.54%	102.7%

\*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

\*GASB Pronouncement 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

Schedule of Contributions  
Year Ended December 31, 2018

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Village's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 162,786	\$ 162,786	\$ ---	\$ 1,960,674	8.30%
2017	146,286	146,286	---	1,891,378	7.73%
2016	145,029	145,029	---	1,838,598	7.89%
2015	142,445	142,445	---	1,737,333	8.20%

\*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

\*GASB Pronouncement 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See Independent Auditors' Report and Notes to  
Required Supplementary Information

VILLAGE OF SLINGER  
Slinger, Wisconsin

Schedule of Proportionate Share of the Net OPEB - Life Insurance Asset (Liability)  
Year Ended December 31, 2018

Local Retiree Life Insurance  
Last 10 Fiscal Years\*

2018	Village's proportionate share of the net OPEB asset (liability)	Village's covered-employee payroll	Net OPEB asset (liability) as a percentage of covered-employee payroll	Plan fiduciary net position as a percentage of total OPEB asset (liability)
2018	0.033956%	\$ 1,427,947	7.15%	44.81%

\*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

GASB Pronouncement 75 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years prior to the enactment of this pronouncement are not required to be presented in this schedule.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Required Supplemental Information  
December 31, 2018

1. Budgetary Information

The Village adopts annual budgets for the General, Special Revenue, Debt Service and Capital Projects Funds on a basis consistent with accounting principles generally accepted in the United States of America. The budgets were adopted in compliance with all material State Statutes.

2. Wisconsin Retirement System (WRS)

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

3. Other Postemployment Benefits (OPEB) - Life Insurance

There were no changes of benefit terms for any participating employee in the LRLIF. There were no changes in the assumptions.

4. Other Postemployment Benefits (OPEB) - Health

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4:

- Contributions from the employer and any non-employer contributing entities, and earning thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors to the employer, non-employer contributing entities, the plan administrator, and plan members.

There were no changes to the OPEB plan that significantly affect trends in amounts reported.

Methods and assumptions used include:

Valuation date	12/31/2017
Measurement date	12/31/2017
Reporting date	12/31/2018
Actuarial cost method	Entry Age Normal - Level % of Salary
Actuarial assumptions:	Actual first year increase, then 7.00% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Medical care trend	3.50% (based upon all years of projected payments discounted at a municipal bond rate of 3.50%)
Discount rate*	Bond buyer 20-bond GO index
Municipal rate source	Wisconsin 2012 Mortality Table
Mortality assumptions	

See Independent Auditors' Report and Notes to Required Supplementary Information



SUPPLEMENTARY FINANCIAL INFORMATION

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VILLAGE OF SLINGER  
Slinger, Wisconsin

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	Special Revenue Funds										Capital Projects Funds				Total Nonmajor Governmental Funds	
	Park Fund	Parks, Recreation & Forestry Fund	Library Fund	Veteran Memorial Fund	Public Celebration Fund	Municipal Building Expansion Fund	Debt Service	RDA	TIF District #4	TIF District #5						
<b>Assets:</b>																
Cash and equivalents	\$ 53,410	\$ 128,792	\$ 320,116	\$ 1,149	\$ ---	\$ 48,849	\$ 220,936	\$ 565,194	\$ 73,699	\$ 37,363	\$ 1,449,508					
Investments	15,677	---	283,280	---	6,795	15,113	---	---	---	---	320,865					
Taxes receivable	---	61,843	63,661	---	---	---	142,828	---	48,824	23,177	340,333					
Other receivables	---	---	---	---	---	---	---	6,610	---	---	6,610					
Interest receivable	68	---	1,108	---	---	65	---	---	---	---	1,241					
Advances to other funds	---	---	---	---	---	---	---	142,413	---	---	142,413					
<b>Total assets</b>	<b>69,155</b>	<b>190,635</b>	<b>668,165</b>	<b>1,149</b>	<b>6,795</b>	<b>64,027</b>	<b>363,764</b>	<b>714,217</b>	<b>122,523</b>	<b>60,540</b>	<b>2,260,970</b>					
<b>Liabilities:</b>																
Accounts payable	---	23,720	3,765	---	---	---	---	---	---	---	27,485					
Accrued liabilities	---	8,977	2,096	---	---	---	---	---	---	---	11,073					
Advances from other funds	---	---	---	---	---	---	---	---	188,772	114,719	303,491					
<b>Total liabilities</b>	<b>---</b>	<b>32,697</b>	<b>5,861</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>188,772</b>	<b>114,719</b>	<b>342,049</b>					
<b>Deferred Inflows of Resources:</b>																
Tax roll	---	151,546	156,000	---	---	---	350,000	---	119,642	56,795	833,983					
<b>Fund Balance:</b>																
Nonspendable	---	---	---	---	---	---	---	---	---	---	---					
Restricted	69,154	6,392	506,304	1,149	6,795	64,027	13,765	565,194	(1)	(110,974)	149,023					
Unassigned	---	---	---	---	---	---	---	---	(185,891)	(110,974)	(296,865)					
<b>Total fund balances (deficits)</b>	<b>\$ 69,154</b>	<b>\$ 6,392</b>	<b>\$ 506,304</b>	<b>\$ 1,149</b>	<b>\$ 6,795</b>	<b>\$ 64,027</b>	<b>\$ 13,765</b>	<b>\$ 714,217</b>	<b>\$ (185,892)</b>	<b>\$ (110,974)</b>	<b>\$ 1,084,937</b>					

See Independent Auditors' Report

VILLAGE OF SLINGER  
Slinger, Wisconsin

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	Special Revenue Funds							Capital Project Funds				Total Nonmajor Governmental Funds	
	Park Fund	Parks, Recreation & Forestry Fund	Library Fund	Veteran Memorial Fund	Public Celebration Fund	Municipal Building Expansion Fund	Debt Service	RDA	TIF District #4	TIF District #5			
<b>Revenues:</b>													
Taxes	\$ --	\$ 149,306	\$ 156,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 92,965	\$ 16,171	\$ --	\$ 414,442	
Intergovernmental	--	--	153,397	--	--	--	--	--	--	--	--	153,397	
Fines, forfeits & penalties	--	--	7,889	--	--	--	--	--	--	--	--	7,889	
Public charges for services	43,005	225,767	5,620	--	47,580	--	--	--	--	--	--	321,972	
Miscellaneous	799	13,150	7,519	--	15	530	84	8,152	250	62	--	30,561	
<b>Total revenues</b>	<b>43,804</b>	<b>388,223</b>	<b>330,425</b>	<b>--</b>	<b>15</b>	<b>48,110</b>	<b>84</b>	<b>8,152</b>	<b>93,215</b>	<b>16,233</b>	<b>--</b>	<b>928,261</b>	
<b>Expenditures:</b>													
Current:													
General government	--	--	--	--	--	28	--	10	7,394	1,838	--	9,270	
Culture, recreation and education	18,359	374,481	287,447	--	--	--	--	--	--	--	--	680,287	
Conservation and development	--	--	--	--	--	--	--	1,000	57,813	26,836	--	85,649	
Capital outlay	--	19,615	--	--	--	--	--	--	--	--	--	19,615	
Debt service:													
Interest and fiscal charges	--	--	--	--	--	--	350	--	4,264	--	--	4,514	
<b>Total expenditures</b>	<b>18,359</b>	<b>384,096</b>	<b>287,447</b>	<b>--</b>	<b>28</b>	<b>48,082</b>	<b>350</b>	<b>1,010</b>	<b>69,471</b>	<b>28,674</b>	<b>--</b>	<b>799,435</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>25,445</b>	<b>(5,873)</b>	<b>42,978</b>	<b>--</b>	<b>15</b>	<b>48,082</b>	<b>(266)</b>	<b>7,142</b>	<b>23,744</b>	<b>(12,441)</b>	<b>--</b>	<b>128,826</b>	
<b>Other financing uses:</b>													
Operating transfers out	--	--	--	--	--	(30,000)	--	--	--	--	--	(30,000)	
Net other financing uses	--	--	--	--	--	(30,000)	--	--	--	--	--	(30,000)	
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>25,445</b>	<b>(5,873)</b>	<b>42,978</b>	<b>--</b>	<b>15</b>	<b>18,082</b>	<b>(266)</b>	<b>7,142</b>	<b>23,744</b>	<b>(12,441)</b>	<b>--</b>	<b>98,826</b>	
<b>Fund Balance (Deficits), January 1</b>	<b>43,709</b>	<b>12,265</b>	<b>463,326</b>	<b>1,149</b>	<b>6,780</b>	<b>45,945</b>	<b>14,031</b>	<b>707,075</b>	<b>(209,636)</b>	<b>(98,533)</b>	<b>--</b>	<b>986,111</b>	
<b>Fund Balance (Deficits), December 31</b>	<b>\$ 69,154</b>	<b>\$ 6,392</b>	<b>\$ 506,304</b>	<b>\$ 1,149</b>	<b>\$ 6,795</b>	<b>\$ 64,027</b>	<b>\$ 13,765</b>	<b>\$ 714,217</b>	<b>\$ (185,892)</b>	<b>\$ (110,974)</b>	<b>\$ --</b>	<b>\$ 1,084,937</b>	

See Independent Auditors' Report

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2017

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**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**BASIC FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION**  
Year Ended December 31, 2017

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David A. Grotkin  
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## Independent Auditors' Report

To the Village Board  
Village of Slinger  
Slinger, 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 Slinger, Wisconsin ("Village") as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Village of Slinger as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. GAAP.

## **Other Matters**

### *Required Supplementary Information*

U.S. GAAP requires that the management's discussion and analysis and budgetary comparison and other information on pages 5 through 15 and 57 through 62 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 Slinger's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

May 4, 2018  
Milwaukee, Wisconsin

MANAGEMENT DISCUSSION AND ANALYSIS  
December 31, 2017

As management of the Village of Slinger, we offer readers of the Village of Slinger financial statements this narrative overview and analysis of the financial activities of the Village of Slinger for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is contained in the audit report.

**Financial Highlights**

- ! The assets of the Village of Slinger exceeded its liabilities at the close of the most recent fiscal year by \$49,500,226 (net position). This represents an increase of \$863,641 or 2% over net position at the end of 2016. Of this amount, \$6,178,041 is in unrestricted net position, which can be used to meet the government's ongoing obligations. This represents an increase of \$350,978 from 2016 unrestricted net position, or 6% over last year's level.
- ! As of the close of 2017, the Village of Slinger governmental funds reported combined ending fund balances of \$3,939,660, a decrease of \$136,003 from the fund balance at the end of 2016. The unassigned fund balance in the general fund alone is \$2,593,911. This is a significant decrease of \$242,398 from the 2016 level, but the general fund was able to self-fund a large downtown construction project in 2017 using funds that amounted to \$410,852. Without that large transfer, the general fund would have continued its steady increase in unassigned fund balance. Even after this decrease, the unassigned fund balance represents over 8 months operating expense which is in the upper range of the Village's target range for fund balance.
- ! The Village's equalized value increased by \$23,897,100 to reach \$524,181,400 in 2017. \$17,434,200 of this increase was due to the Village's net new construction, which at 3.48% was once again the highest percentage growth in Washington County. The remaining increase can be attributed to the strong real estate values in the Village. The local construction and housing markets continued their recovery throughout 2017.
- ! Moody's Investors Services completed a review of the Village's financial status which resulted in an upgrade of the Village's bond rating from A1 to Aa3. The rating report cited the Village's improvement in general fund liquidity as well as our low debt level and strong reserves.
- ! The Village's general obligation debt level increased slightly to \$2,685,000 because of the new State Trust Fund loan that was used to purchase the 2018 snowplow truck and the JetVac machine. The Village's debt limit also increased in 2017 to \$26,209,070, so the Village continued to use only 10% of its borrowing capacity. The bulk of this general obligation debt is the \$2,385,000 balance remaining on the 2011 General Obligation Refunding Bonds that were issued to finance the Sewer Utility's wastewater treatment plant upgrade. That obligation is repaid through Sewer Utility revenues. The Village was again able to avoid using any 2017 levy for debt service purposes.

MANAGEMENT DISCUSSION AND ANALYSIS  
December 31, 2017

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Village of Slinger's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 implementation, comparative data is provided. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Government-wide financial statements**

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes and earned but unused vacation and sick leave).

The government-wide financial statements distinguish functions of the Village of Slinger that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Slinger include general government, public safety, health and human services, engineering and public works, library, parks and recreation, and capital projects. The business-type activities of the Village of Slinger include the Electric Utility, Water Utility, Sewer Utility and Stormwater Utility.

The government-wide financial statements can be found on pages 16 - 17 of this report.



Overview of the Financial Statements (Continued)

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

Governmental funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. GASB 54 created detailed fund balance classifications in an effort to provide more accurate information regarding the availability of funds.

The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

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 basic governmental fund financial statements can be found on pages 18 and 20 of this report, and the related reconciliations are located on pages 19 and 21.

The Village of Slinger maintains twelve 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 and the Capital Projects and Equipment Fund, with data from the remaining ten governmental funds combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report, pages 64 – 65.

The Village of Slinger adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This can be found in the Required Supplementary Information section of this report on pages 58 – 59.

Proprietary funds

Enterprise funds, also called proprietary funds, are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, Sewer and Stormwater utilities, and the Internal Service Funds, Central Equipment and Central Services, which are considered major funds of the Village of Slinger.

The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Slinger's programs.

The basic fiduciary fund financial statement can be found on page 26.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This includes a discussion of the major accounting policies used by the Village, a description of the Village's cash and investment holdings, and a breakdown of the changes in long-term obligations among many other items.

The notes to the financial statements can be found on pages 27 - 56 of this report.

Other information

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds are presented immediately following the required supplementary information. Individual fund statements and schedules can be found on pages 64-65.

This discussion and analysis are intended to serve as an introduction to the Village of Slinger's finances. The Village of Slinger's basic financial statements and accounting are divided into the following activity classifications: General Fund, Special Funds, Debt Service, Capital Projects, Enterprise Funds and Internal Service Funds. Each of these will be discussed independently here. This analysis will include comparisons with the prior year's performance to provide more context for evaluating the past year.

VILLAGE OF SLINGER  
Slinger, Wisconsin

MANAGEMENT DISCUSSION AND ANALYSIS  
December 31, 2017

Government-Wide Financial Analysis

Village of Slinger's Net Position

	Governmental Activities		Business-Type Activities		Total
	2017	2016	2017	2016	
Current & other assets	\$ 8,783,139	\$ 9,218,132	\$ 5,528,983	\$ 5,528,983	\$ 14,747,115
Capital assets	14,487,980	13,835,684	33,163,100	32,616,891	47,651,080
Total assets	23,271,119	23,053,816	38,415,163	38,145,874	61,199,490
Deferred outflows of resources	820,384	1,057,211	391,407	394,005	1,211,791
Long-term debt outstanding	355,343	95,182	6,213,490	6,823,049	6,916,231
Other liabilities	2,186,759	2,791,550	1,106,493	939,720	3,731,270
Total liabilities	2,542,102	2,886,732	7,319,983	7,762,769	9,862,085
Deferred inflows of resources	3,369,176	3,229,277	166,586	135,343	3,535,762
Net investment in capital assets	14,132,637	13,740,502	26,949,610	25,793,642	41,082,247
Restricted	1,257,488	1,712,355	982,450	1,563,023	2,239,938
Unrestricted	2,790,100	2,542,161	3,387,941	3,284,902	6,178,041
Total net position	\$18,180,225	\$17,995,018	\$31,320,001	\$30,641,567	\$48,636,585

For 2017, the Village's net position increased by \$863,641 during the year, or approximately 2%. Business-type activities increased in net position by \$678,434 while governmental activities' net position increased by \$185,207. Business-type assets increased by \$269,489 while liabilities decreased by \$442,786. Governmental activities saw a \$217,303 increase in assets and a \$344,630 decrease in liabilities.

The following chart, "Village of Slinger's Changes in Net Position", provides a breakdown of asset and expense categories for a more detailed explanation of the increase in total net position. A review of these categories shows that for governmental activities, expenses decreased significantly by \$662,643. Much of that decrease can be attributed to the large TID increment distribution that was made in 2016 with the termination of TID #3. The closure of TID #3 had an even larger impact on the revenue side, which decreased by \$1,961,797 due for the most part to the reduction in increment generation. Governmental activities were still able to increase net position by \$185,207 after transfers.

Business-type activities experienced an increase in revenues of \$447,710. Expenses increased also, but only by \$27,782. Every category of revenues experienced an increase in 2017 while expenses decreased in the Water and Stormwater Utilities which helped keep overall expenses lower. After transfers, business-type activities increased net position by \$678,434.

VILLAGE OF SLINGER  
Slinger, Wisconsin

MANAGEMENT DISCUSSION AND ANALYSIS  
December 31, 2017

Village of Slinger's Changes in Net Position

Governmental Activities Business-Type Activities

	Governmental Activities		Business-Type Activities		Total
	2017	2016	2017	2016	
Revenues:					
Program Revenues:					
Charges for services	\$ 857,645	\$ 1,052,110	\$ 7,029,949	\$ 6,898,915	\$ 7,875,584
Operating grants & contributions	387,154	374,699	42,106	41,751	429,280
Capital grants & contributions	417,131	251,943	689,399	390,403	1,106,530
General Revenues:	2,881,379	4,773,917	---	---	2,881,379
Property taxes	18,800	16,745	---	---	18,800
Other taxes	---	---	---	---	---
Grants & contributions not restricted to specific programs	178,711	182,404	---	---	178,711
Other	29,515	68,314	135,468	118,143	176,983
Total revenues	4,770,335	6,720,132	7,896,822	7,449,212	12,667,257
Expenses:					
General government	320,034	422,326	---	---	320,034
Public safety	2,087,929	2,124,805	---	---	2,087,929
Public works	1,137,697	1,111,373	---	---	1,137,697
Health & human services	1,538	796	---	---	1,538
Culture, recreation & education	947,427	969,573	---	---	947,427
Excess TID increment returned	103,477	56,913	---	---	103,477
Conservation & development	40,107	21,189	---	---	40,107
Interest & fiscal charges	203,752	188,045	---	---	203,752
Unallocated depreciation	---	---	---	---	---
Electric	---	---	4,110,998	4,108,146	203,752
Water	---	---	856,504	908,002	4,108,146
Sewer	---	---	1,668,782	1,475,421	856,504
Stormwater	---	---	325,371	442,304	1,668,782
Total expenses	4,841,621	5,504,604	6,961,655	6,933,873	11,803,616
Increase in net position before transfers	(71,626)	1,215,528	935,267	515,339	863,641
Transfers	256,833	362,010	(256,833)	(362,010)	---
Increase in net position	185,207	1,577,538	678,434	153,329	863,641
Net position, January 1	17,995,018	16,376,647	30,641,567	30,488,238	46,864,885
Prior period and other adjustments	---	40,833	---	---	40,833
Net position, January 1, adjusted	17,995,018	16,417,480	30,641,567	30,488,238	46,905,718
Net position, December 31	\$18,180,225	\$17,995,018	\$31,320,001	\$30,641,567	\$48,636,585

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**MANAGEMENT DISCUSSION AND ANALYSIS**  
December 31, 2017

**General Fund**

The General Fund consists of the following components: General Government Activities, Police, Other Public Safety, and Public Works, Parks & Forestry.

In 2017 General Fund Revenues exceeded budget projections by \$140,307. This can be attributed to several factors: building-related permit fees were much higher than expected, the Village achieved funds through the Expenditure Restraint Program that were not budgeted, and another litigation award was received in 2017. The Village Board decided to stop budgeting for expenditure restraint funds to reduce the Village's dependence on this variable resource. On the expense side, most departments ended 2017 well under budget. General Government exceeded budget slightly by \$3,346 due entirely to larger-than-expected legal fees. Public Works exceeded its budget by \$10,836. Much of the additional expense was for work associated with the installation of pedestrian safety lighting; that project had been largely completed in 2016 so the remaining costs were not budgeted in 2017.

Revenues for the General Fund in 2017 totaled \$3,288,602 while expenditures equaled \$3,437,875 for a deficiency of \$169,273. 2017 transfers resulted in a net financing use of \$33,372 so the fund balance in the General Fund decreased by \$202,645 to \$2,682,172 in 2017. As mentioned before, the Village's decision to use reserves to finance a large infrastructure project created this decrease in fund balance. It was the Village's determination that a one-time reduction in fund balance would be more effective than taking on long-term debt.

**Capital Projects and Equipment Funds**

These funds are used to levy taxes and borrow funds for capital improvements and purchases such as squad cars and squad equipment, street reconstruction projects and other capital projects not covered under individual department budgets. In 2017, these funds had revenues of \$365,516 and expenditures of \$660,349 for a deficiency of \$294,833. The Capital Project Fund was the recipient of the transfer from the General Fund. That transfer in addition to proceeds from capital asset sales totaled \$441,375 in other financing sources. All 2017 activity for these funds increased fund balance by \$146,542 to \$271,377 at the end of the year.

**Special Revenue Funds**

The Special Revenue Funds consist of the following: Park Fund, Parks & Recreation Fund, Library Fund, Municipal Building Expansion Fund and other minor special funds.

**Park Fund** – This fund was established to receive, monitor and distribute the Village's Park and Open Space impact fees. In 2017 the fund was able to transfer sufficient funds to repay its debt obligation in full. For the year, the fund had revenues of \$18,224 and expenses and transfers of \$22,252. This decreased its fund balance to \$43,709. The bulk of the fund's expenses were in the form of credits issued for new construction in the Farmstead Creek subdivision. The developer of that neighborhood dedicated future parkland to the Village and received park impact fee credit in exchange.

**Parks & Recreation Department Fund** - This fund is responsible for operating the Village parks and recreation programs. Previously, the department included the Village's forestry activity but in 2016 the Village Board approved a reorganization of this department to transfer responsibility for all Village-owned parks and forestry facilities to the General Fund starting in 2017. The department ended the year with revenues in excess of expenses in the amount of \$15,175 which returned the fund to a positive balance of \$12,265.

**Library Fund** - This fund operates the Village library and is controlled by the Library Board in accordance with State statute. In 2017 the fund had revenues of \$332,298 and expenditures of \$332,985. This created a slight decrease in its fund balance which ended the year at \$463,326.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**MANAGEMENT DISCUSSION AND ANALYSIS**  
December 31, 2017

**Municipal Building Expansion Fund**

- This fund was established to collect, record and distribute the Public Facility impact fees. For 2017 the fund had an excess of \$18,158 in revenues over expenses and transferred \$40,000 for its prior debt service obligation. This left the fund balance at \$45,945 for the year.

**Minor Special Funds** - These funds were established for special purpose revenues and expenses and consist of the following: Veteran's Memorial Fund and Public Celebration Fund. In 2017 the Veteran's Memorial Fund had no activity and the fund balance remained at \$1,149. The Public Celebration Fund also experienced no activity in 2017 with its fund balance at \$6,780.

**Debt Service Fund**

Due to the low level of the Village's debt service activity, this fund is now reported in the Combining Statement. The fund was established to collect and disburse funds associated with general obligation debt service. For 2017 it had revenues of \$52. This increased the fund balance to \$14,031 for the end of 2017.

**Nonmajor Capital Projects Funds**

The Capital Projects Funds consist of the following categories: Capital Projects and Equipment Funds, the Redevelopment Authority (RDA), and TIF Districts (TID) #4 and #5. TID #4 was created in 2015 and TID #5 was created in 2016. The Capital Projects and Equipment Funds were discussed previously since they are now shown in a separate column with the General Fund.

**Redevelopment Authority (RDA)** – The RDA was created to promote economic development in the Village. While it currently administers the Village's Revolving Loan Fund, the RDA was established primarily to oversee development within the former TID #3. With that district now terminated, the Village is exploring other responsibilities for the RDA besides oversight of the loan fund. The RDA provided funding for a couple of projects in TID #4 and will eventually collect reimbursement of those funds. In 2017 the RDA had revenues of \$8,869 and expenditures of \$7,859 resulting in an ending fund balance of \$707,075.

**Tax Increment District (TID) #4** – TID #4 was created in 2015 to assist with development in the area of the I-41 and STH 60 interchange. The district generated adequate increment in 2017 to issue a recapture payment for one of the developers agreements associated with the TID. In 2017 the district had revenues of \$53,319 and expenditures of \$50,288 which reduced its negative fund balance slightly to \$209,636. It is not unusual for TID's to carry negative fund balances during their first few years until development projects start generating increment revenue.

**Tax Increment District (TID) #5** – TID #5 was created in 2016 as a rehabilitation/conservation district to assist in the development of an older manufacturing section of the Village. 2017 was the first full year of operation for the district so no increment was generated for the year. The district had revenue of \$3 and expenditures of \$79,463. This increased the district's negative fund balance to \$98,533. As mentioned earlier, the negative fund balance will be resolved once the project currently under way in the district begins generating increment.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**MANAGEMENT DISCUSSION AND ANALYSIS**  
December 31, 2017

**Enterprise Funds**

The Enterprise Funds consist of the following units: Electric Utility, Water Utility, Sewer Utility and Stormwater Utility.

**Electric Utility** - This fund was established to account for the operations and capital improvements for the Village owned electric utility and is regulated by the Wisconsin Public Service Commission (PSC). In 2017 the electric utility had operating revenues of \$4,433,395 and operating expenses of \$4,065,854 which gave the utility an operating income of \$347,541. All 2017 activity for the utility resulted in an increase in net position of \$278,713 to \$7,151,396 at the end of the year.

**Water Utility** - This fund was established to account for the operations and capital improvements for the Village owned water utility and is regulated by the Wisconsin Public Service Commission (PSC). In 2017 the water utility had operating revenues of \$1,075,398 and operating expenses of \$856,504 which gave the utility an operating income of \$218,894. The utility's net position increased by \$246,477 in 2017 for an ending balance of \$8,969,622.

**Sewer Utility** - This fund was established to account for the operations and capital improvements for the Village owned sewer utility and is regulated by the Wisconsin Department of Natural Resources. In 2017 the sewer utility had operating revenues of \$1,386,535 and operating expenditures of \$1,526,967 which gave the utility an operating deficit of \$140,432. Unfortunately, operating losses are more common for this utility than gains. This is the result of a combination of the high costs associated with the utility's operations and regulatory requirements and its aim to keep user rates as low as possible. Capital contributions helped offset the loss from operating and non-operating expenses and the utility's net position increased by \$63,632 for the year to \$11,414,058.

**Stormwater Utility** - This fund was established to account for the operations and capital improvements for the Village owned stormwater utility and is regulated by the Village Board of the Village of Slinger. In 2017 the stormwater utility had operating revenues of \$249,328 and operating expenditures of \$325,371 which gave the utility an operating loss of \$76,043. Capital contributions also helped partially offset the loss from operating and non-operating expenses for this utility and the net position increased by \$89,612 to \$3,784,925 in 2017.

**Internal Service Funds**

The Internal Service Funds consist of the following: Central Equipment Fund and Central Services Fund.

**Central Equipment Fund** - This fund was established to account for the operations and capital purchases for the trucks and maintenance equipment owned by the Village. The source of revenue is rent charged for use by various governmental departments and the utilities. In 2017 the Central Equipment fund had operating revenues of \$336,864 and operating expenditures of \$330,535 which gave the fund operating income of \$6,329. Non-operating revenues and expenses decreased this gain to \$4,434, resulting in an ending net position of \$862,463 for 2017.

**Central Services Fund** - This fund was established to account for the operations and capital purchases associated with the general offices and municipal buildings located at 220 & 300 Slinger Road. The source of revenue is rent and charges for general accounting services charged to various governmental departments and the utilities. In 2017 the office overhead fund had operating revenues of \$553,291 and operating expenditures of \$592,456 which gave the fund an operating loss of \$39,165. Non-operating revenue and expenses reduced this loss slightly to \$31,376 and the net position ended at \$3,065,268 for the year.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**MANAGEMENT DISCUSSION AND ANALYSIS**  
December 31, 2017

**Economic Factors and Growth**

! Net new construction in the Village resumed a stronger rate of increase in 2017 at 3.48%. This was a 75% increase over 2016's level of net new construction. The real estate market in the Village has been very vigorous as well. Home sales levels in 2017 indicated that an overall revaluation of the Village's assessments will be needed in 2018 to bring our assessed value better in line with market values.

! TID #4 experienced another major construction project that was not anticipated at the time of plan development. This should help ensure increment generation that will be adequate to support infrastructure projects within the district.

! The project associated with TID #5 made significant progress in 2017. The district recorded its first increment generation in the 2017/2018 tax roll process.

! The Village continued its efforts to identify potential projects for enhancing quality of life and economic opportunity in the community. As part of this program, the Village achieved designation as an Ice Age Trail Community. Village staff will work with Ice Age Trail Alliance personnel to expand recreational facilities and activities for residents and visitors. Plans for a potential recreational trail connected to Community Park were started in 2017. This could bring more attention to the downtown area and support local businesses.

! All of the utilities had a very active year in 2017. The Electric Utility is working on the final details of the territory agreement it reached with WE Energies. The first transfer of customer groups under that agreement is expected to be completed in 2018. The Water, Sewer and Stormwater Utilities accomplished the first phase of the major project that will eventually install an iron filter at Well #3. This work included repairing and relocating water, sewer and stormwater mains. The utilities coordinated this with the Capital Projects fund to complete significant street upgrades in the downtown area as well.

**Capital Asset and Debt Administration**

**Capital assets**

The Village of Slinger's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$47,651,080 net of accumulated depreciation. This is an increase of \$1,198,705 over the 2016 level. Investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress.

A summary of the Village's fixed assets is as follows:

	VILLAGE OF SLINGER'S CAPITAL ASSETS		
	2017	2016	2015
Land	\$ 5,604,544	\$ 5,562,189	\$ 400,307
Buildings & Improvements	5,299,216	5,262,607	13,479,659
Infrastructure	9,882,035	8,895,831	---
Vehicles	956,871	849,320	---
Machinery & Equipment	1,826,668	1,638,158	33,641,885
Construction in progress	11,521	342,280	456,995
Accumulated depreciation	(9,092,875)	(8,714,701)	(15,084,293)
Total Capital Assets	\$ 14,487,980	\$ 13,835,664	\$ 33,163,100
			(24,177,168)
			\$ 46,452,375

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**MANAGEMENT DISCUSSION AND ANALYSIS**

December 31, 2017

**Capital Asset and Debt Administration**

**Long-term Debt**

At the end of the current fiscal year, the Village of Slinger has a total general obligation debt outstanding of \$2,685,000 entirely backed by the full faith, credit and resources of the Village. Most of this amount is listed under Business-Type Activities since the notes were used to refinance the Sewer Utility's Bond Anticipation Note for the Wastewater Treatment Plant's upgrade project. An additional \$1,000,000 remains deposited in an escrow account to repay the General Obligation Refunding Bonds that were issued for the Glen Hill/Tennies stormwater management project that was part of the former TID #43.

The Village initiated a \$27,900 promissory note to finance a portion of the software conversion that took place in 2015. This is a long-term debt but not included as part of the Village's general obligation debt. The balance of this note at the end of 2017 was \$17,205. A capital lease in the amount of \$185,400 was used to finance the purchase of a front-end loader for the Central Equipment Fund. The lease had a balance of \$38,138 at the end of the year. In 2017 the Village obtained a State Trust Fund loan in the amount of \$300,000 to finance the purchase of a new snowplow truck and a Jet-Vac truck. Repayment of this loan will commence in 2018.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. With a total equalized value of \$524,181,400, the Village's general obligation debt limit is \$26,209,070 at this time. This means that the Village's current general obligation level is 10% of the permitted limit. As mentioned above, 89% of the Village's current General Obligation debt is paid from business-type activity revenues.

**VILLAGE OF SLINGER'S OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total
	2017	2016	2017	2016	
General Obligation Debt	\$ 300,000	\$ ---	\$ 2,385,000	\$ 2,560,000	\$ 2,560,000
Promissory Note	17,205	19,995	---	---	17,205
Capital Lease	38,138	75,187	---	---	38,138
Accumulated Sick Pay	132,849	138,527	76,337	70,895	209,186
Other Post-Employment Benefits	1,297,181	1,271,646	359,270	347,088	1,656,451
Revenue Bonds	---	---	3,828,490	4,263,049	3,828,490
<b>Total</b>	<b>\$ 1,785,373</b>	<b>\$ 1,505,355</b>	<b>\$ 6,649,097</b>	<b>\$ 7,241,032</b>	<b>\$ 8,434,470</b>
					<b>\$ 8,746,387</b>

**Requests for Information**

The financial report is designed to provide a general overview of the Village of Slinger's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Slinger Treasurer, 300 Slinger Road, Slinger WI 53086.



**VILLAGE OF SLINGER**  
Slinger, Wisconsin

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and equivalents	\$ 4,325,640	\$ 372,420	\$ 4,698,060
Investments	2,558,482	2,132,665	4,691,147
Taxes receivable	1,326,814	---	1,326,814
Accounts receivable	208,574	1,240,873	1,449,447
Delinquent taxes receivable	27,527	---	27,527
Other receivables	22,115	82,004	104,119
Interest receivable	11,868	10,385	22,253
Interfund balances	244,539	(244,539)	---
Due from/to fiduciary fund	(27,024)	---	(27,024)
Materials and supplies inventory	---	17,596	17,596
Restricted cash and equivalents	84,604	1,640,659	1,725,263
Capital Assets			
Land and construction in progress	5,616,065	857,302	6,473,367
Other capital assets, net of accumulated depreciation	8,871,915	32,305,798	41,177,713
Net capital assets	<u>14,487,980</u>	<u>33,163,100</u>	<u>47,651,080</u>
<b>Total assets</b>	<u>23,271,119</u>	<u>38,415,163</u>	<u>61,686,282</u>
<b>Deferred outflows of resources:</b>			
Deferred outflows related to pensions	820,384	391,407	1,211,791
<b>Liabilities:</b>			
Accounts payable	205,225	543,280	748,505
Accrued liabilities	59,159	---	59,159
Due to other governments	749	---	749
Special deposits	316,452	63,000	379,452
Accrued interest payable due from restricted assets	---	15,401	15,401
Accrued interest payable	7,075	9,383	16,458
Deposits payable from restricted assets	84,604	---	84,604
Current portion of long-term debt	98,079	---	98,079
Current maturities due from restricted assets	---	642,808	642,808
Long-term liabilities:			
Net pension liability	83,465	39,822	123,287
Noncurrent portion of long-term debt	257,264	5,570,682	5,827,946
Accrued vacation and sick leave	132,849	76,337	209,186
Other post-employment benefits	1,297,181	359,270	1,656,451
<b>Total liabilities</b>	<u>2,542,102</u>	<u>7,319,983</u>	<u>9,862,085</u>
<b>Deferred inflows of resources:</b>			
Tax roll	3,020,017	---	3,020,017
Deferred inflows related to pensions	349,159	166,586	515,745
<b>Total deferred inflows of resources</b>	<u>3,369,176</u>	<u>166,586</u>	<u>3,535,762</u>
<b>Net Position:</b>			
Net investment in capital assets	14,132,637	26,949,610	41,082,247
Restricted for:			
Debt service	14,031	---	14,031
Capital projects	670,283	---	670,283
Other purposes	573,174	982,450	1,555,624
Unrestricted	2,790,100	3,387,941	6,178,041
<b>Total net position</b>	<u>\$ 18,180,225</u>	<u>\$ 31,320,001</u>	<u>\$ 49,500,226</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Statement of Activities**  
For the Year Ended December 31, 2017

	Program Revenues		Capital		Net (Expense) Revenue and		
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental:</b>							
General government	\$ 320,034	\$ 431,870	\$ 2,710	\$ ---	\$ 114,546	\$ ---	\$ 114,546
Public safety	2,087,929	162,854	1,600	---	(1,923,475)	---	(1,923,475)
Public works	1,137,697	7,396	196,479	405,631	(528,191)	---	(528,191)
Health and human services	1,538	---	---	---	(1,538)	---	(1,538)
Culture, recreation and education	947,427	255,525	186,365	11,500	(494,037)	---	(494,037)
Conservation and development	103,477	---	---	---	(103,477)	---	(103,477)
Interest and fiscal charges	40,107	---	---	---	(40,107)	---	(40,107)
Unallocated depreciation*	203,752	---	---	---	(203,752)	---	(203,752)
Total governmental activities	4,841,961	857,645	387,154	417,131	(3,180,031)	---	(3,180,031)
<b>Business-type:</b>							
Electric	4,110,998	4,370,005	9,215	131,848	---	400,070	400,070
Water	856,504	1,062,917	---	102,986	---	309,399	309,399
Sewer	1,668,782	1,381,584	---	318,316	---	31,118	31,118
Stormwater	325,371	215,443	32,891	136,249	---	59,212	59,212
Total business-type activities	6,961,655	7,029,949	42,106	689,399	---	799,799	799,799
Total Village of Slinger	\$ 11,803,616	\$ 7,887,594	\$ 429,260	\$ 1,106,530	(3,180,031)	799,799	(2,380,232)

**General revenues:**

Taxes:			
Property taxes, levied for general purposes	2,197,565	---	2,197,565
Property taxes, levied for library	156,000	---	156,000
Property taxes, levied for recreation	144,958	---	144,958
Property taxes, levied for capital projects	314,330	---	314,330
Property taxes, levied for TIF district	53,263	---	53,263
Payments in lieu of property taxes	15,263	---	15,263
Other taxes	18,800	---	18,800
Grants and contributions not restricted to specific programs	178,711	---	178,711
Earnings on investments	31,204	27,410	58,614
Loss on disposal of capital assets	(46,986)	---	(46,986)
Miscellaneous	45,297	108,058	153,355
Transfers	(57,880)	57,880	---
Transfers - pilot	314,713	(314,713)	---
Total general revenues and transfers	3,365,238	(121,365)	3,243,873
Change in net position	185,207	678,434	863,641
Net position - beginning	17,995,018	30,641,567	48,636,585
<b>Net position - ending</b>	\$ 18,180,225	\$ 31,320,001	\$ 49,500,226

\* This amount excludes the depreciation that is included in the direct expenses of the various programs

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Balance Sheet**  
**Governmental Funds**  
December 31, 2017

	<u>General Fund</u>	<u>Capital Projects and Equipment Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and equivalents	\$ 2,338,782	\$ 362,511	\$ 1,032,576	\$ 3,733,869
Investments	1,612,121	---	316,610	1,928,731
Receivables:				
Taxes	1,008,623	136,110	182,081	1,326,814
Accounts	115,444	88,294	4,836	208,574
Delinquent taxes	27,527	---	---	27,527
Other	---	---	22,115	22,115
Interest	7,418	---	1,383	8,801
Due from other funds	362,392	---	---	362,392
Restricted assets:				
Cash and investments	84,604	---	---	84,604
Advances to other funds	60,734	---	188,149	248,883
<b>Total assets</b>	5,617,645	586,915	1,747,750	7,952,310
<b>Liabilities:</b>				
Accounts payable	140,578	5,733	10,373	156,684
Accrued liabilities	29,861	---	10,523	40,384
Deposits	316,452	---	---	316,452
Due to other funds - other	67,459	---	---	67,459
Due to other governmental units	749	---	---	749
Advances from other funds	---	---	326,301	326,301
Payable from restricted assets:				
Deposits	84,604	---	---	84,604
<b>Total liabilities</b>	639,703	5,733	347,197	992,633
<b>Deferred Inflows of Resources:</b>				
Tax roll	2,295,770	309,805	414,442	3,020,017
<b>Fund Balances (Deficits):</b>				
Nonspendable	88,261	---	210,264	298,525
Restricted	---	271,377	1,084,016	1,355,393
Unassigned	2,593,911	---	(308,169)	2,285,742
<b>Total fund balances (deficits)</b>	\$ 2,682,172	\$ 271,377	\$ 986,111	\$ 3,939,660

The accompanying notes to financial statements  
are an integral part of these statements.



**VILLAGE OF SLINGER**

Slinger, Wisconsin

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position**

December 31, 2017

Total fund balances for governmental funds \$ 3,939,660

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.

Land and construction in progress 5,496,065

Other capital assets, net of accumulated depreciation 5,890,200

The Village's proportionate share of the net pension liability at the WRS is reported on the statement of net position, but is not reported in the governmental funds. (76,759)

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. 754,462

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. (321,103)

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.

Compensated absences (132,849)

Other post-employment benefits (1,297,181)

Internal service funds are used by the Village to charge overhead to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position; but are reported as proprietary funds, not governmental funds in the fund financial statements. 3,927,731

Total net position of governmental activities \$ 18,180,225

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

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

	<u>General Fund</u>	<u>Capital Projects and Equipment Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenue:</b>				
Taxes	\$ 2,231,628	\$ 314,330	\$ 354,221	\$ 2,900,179
Intergovernmental	390,248	43,958	159,204	593,410
Licenses and permits	318,801	---	---	318,801
Fines, forfeits and penalties	157,428	3,943	7,380	168,751
Public charges for services	112,901	---	254,085	366,986
Intergovernmental charges for services	19,421	---	---	19,421
Miscellaneous	38,175	3,285	42,677	84,137
<b>Total revenues</b>	3,268,602	365,516	817,567	4,451,685
<b>Expenditures:</b>				
Current:				
General government	290,725	22,789	12,258	325,772
Public safety	1,989,434	16,864	---	2,006,298
Public works	844,242	---	---	844,242
Health and human services	1,538	---	---	1,538
Culture, recreation and education	189,250	192	685,360	874,802
Conservation and development	102,477	---	113,609	216,086
Capital outlay	20,209	620,504	33,900	674,613
Debt service:				
Interest and fiscal charges	---	---	4,916	4,916
<b>Total expenditures</b>	3,437,875	660,349	850,043	4,948,267
<b>Deficiency of revenues over expenditures</b>	(169,273)	(294,833)	(32,476)	(496,582)
<b>Other Financing Sources (Uses):</b>				
Proceeds on the sale of capital assets	---	30,523	---	30,523
Operating transfers in	47,424	410,852	---	458,276
Transfers from proprietary funds - pilot	314,713	---	---	314,713
Operating transfers from proprietary and internal service funds	15,343	---	---	15,343
Operating transfers out	(410,852)	---	(47,424)	(458,276)
<b>Net other financing sources (uses)</b>	(33,372)	441,375	(47,424)	360,579
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(202,645)	146,542	(79,900)	(136,003)
<b>Fund Balances, January 1</b>	2,884,817	124,835	1,066,011	4,075,663
<b>Fund Balances, December 31</b>	\$ 2,682,172	\$ 271,377	\$ 986,111	\$ 3,939,660

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
to the Statement of Activities**

For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$ (136,003)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Governmental capital outlays in the governmental fund financial statements	674,613
Depreciation expense	(406,872)
Certain capital assets were contributed by outside parties. As no current financial resources were acquired as a result of these contributions, they are not recorded in the governmental fund statements.	
	373,173
Contribution of capital assets to enterprise funds	
	(73,223)
Capital assets are not reported in the governmental funds, therefore governmental funds do not report gains or losses on their disposal like the statement of activities does.	
	(77,509)
In the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	
	(122,173)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, revenues are recognized when they are available under the modified accrual basis, rather than when they are earned. The following adjustments are created by these differences in accounting methods:	
Compensated absences	5,678
Other post-employment benefits	(25,535)
Internal service funds are used by the Village to charge overhead to individual funds. The net revenue of internal service funds is reported with governmental activities on the Statement of Activities; but are reported as proprietary funds, not governmental funds in the fund financial statements.	
	<u>(26,942)</u>
Net change in net position	<u>\$ 185,207</u>

The accompanying notes to financial statements  
are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2017

	Enterprise Funds					Internal Service Funds		
	Electric	Water	Sewer	Stormwater	Total	Central	Equipment	Services
	Utility	Utility	Utility	Utility		Fund	Fund	Fund
<b>Assets:</b>								
<b>Current Assets:</b>								
Cash and equivalents	\$ 705,440	\$ 231,864	\$ (1,010,986)	\$ 446,102	\$ 372,420	\$ 138,999	\$ 452,772	\$ 629,751
Investments	355,444	761,666	1,015,555	---	2,132,665	---	---	---
<b>Receivables:</b>								
Customer accounts	790,305	142,868	231,053	76,647	1,240,873	---	---	---
Other	27,201	43,720	11,083	---	82,004	---	---	---
Interest	1,731	3,709	4,945	---	10,385	---	---	3,067
Inventory	11,764	5,832	---	---	17,596	---	---	---
<b>Total current assets</b>	1,891,885	1,189,659	251,650	522,749	3,855,943	138,999	1,085,590	---
<b>Noncurrent Assets:</b>								
<b>Restricted assets:</b>								
Cash and equivalents	177,872	---	1,462,987	---	1,640,859	---	---	---
Advances to other funds	22,563	54,855	---	---	77,418	---	---	---
Land and construction in progress	134,196	366,541	165,829	190,736	857,302	---	---	120,000
Other capital assets, net of accumulated depreciation	6,205,597	7,603,779	15,401,825	3,094,597	32,305,798	1,069,227	1,912,488	---
<b>Total noncurrent assets</b>	6,540,028	8,025,175	17,030,641	3,285,333	34,881,177	1,069,227	2,032,488	---
<b>Total assets</b>	8,431,913	9,214,834	17,282,291	3,808,082	38,737,120	1,208,226	3,118,078	---
<b>Deferred Outflows of Resources</b>	164,561	110,879	100,215	15,752	391,407	7,877	58,045	---
Deferred outflows related to pensions								
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
Accounts payable	410,470	45,679	81,713	5,418	543,280	4,147	44,394	---
Accrued liabilities	22,765	21,879	21,534	10,159	76,337	128	18,647	---
Deposits	63,000	---	---	---	63,000	---	---	---
Due to other funds	198,443	123,514	---	---	321,957	---	---	---
Current maturities of long-term debt	---	---	---	---	---	95,289	2,790	---
Accrued interest	---	---	9,383	---	9,383	7,074	---	---
Payable from restricted assets:								
Current maturities of long-term debt	105,000	---	537,808	---	642,808	---	---	---
Accrued interest	1,946	---	13,455	---	15,401	---	---	---
<b>Total current liabilities</b>	801,624	191,072	663,893	15,577	1,672,166	106,638	65,831	---
<b>Noncurrent Liabilities:</b>								
Net pension liability	16,742	11,281	10,196	1,603	39,822	801	5,905	---
Other post-employment benefits	106,674	106,547	131,025	15,024	359,270	---	---	---
State trust fund loans	---	---	---	---	---	242,849	---	---
Bonds payable	450,000	---	5,120,682	---	5,570,682	---	---	---
Loan payable	---	---	---	---	---	---	14,415	---
<b>Total liabilities</b>	1,375,040	308,900	5,925,796	32,204	7,641,940	350,288	86,151	---
<b>Deferred Inflows of Resources</b>	70,038	47,191	42,652	6,705	166,586	3,352	24,704	---
Deferred inflows related to pensions								
<b>Net Position:</b>								
Net investment in capital assets	5,784,793	7,970,320	9,909,164	3,285,333	26,949,610	731,089	2,015,283	---
Restricted	70,726	---	911,724	---	982,450	---	---	---
Unrestricted	1,295,877	999,302	593,170	499,592	3,387,941	131,374	1,049,985	---
<b>Total net position</b>	\$ 7,151,396	\$ 8,969,622	\$ 11,414,058	\$ 3,784,925	\$ 31,320,001	\$ 862,463	\$ 3,065,268	---

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Statement of Revenues, Expenditures and Changes in Net Position  
Proprietary Funds

For the Year Ended December 31, 2017

	Enterprise Funds					Internal Service Funds		
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Totals	Central Equipment Fund	Central Services Fund	
<b>Operating Revenues:</b>								
Charges for service	\$ 4,370,005	\$ 1,062,917	\$ 1,381,584	\$ 215,443	\$ 7,029,949	\$ ---	\$ ---	
Forfeited discounts	13,344	4,917	3,827	741	22,829	---	---	
Interfund charges for services	---	---	---	---	---	334,952	552,884	
Other	50,046	7,564	1,124	33,144	91,878	1,912	407	
<b>Total operating revenues</b>	<b>4,433,395</b>	<b>1,075,398</b>	<b>1,386,535</b>	<b>249,328</b>	<b>7,144,656</b>	<b>336,864</b>	<b>553,291</b>	
<b>Operating Expenses:</b>								
Operation and maintenance	3,638,070	645,790	962,697	166,962	5,413,519	233,073	486,166	
Depreciation and amortization	440,060	199,938	548,552	158,409	1,346,959	97,462	106,290	
Taxes	7,724	10,776	15,718	---	34,218	---	---	
<b>Total operating expenses</b>	<b>4,085,854</b>	<b>856,504</b>	<b>1,526,967</b>	<b>325,371</b>	<b>6,794,696</b>	<b>330,535</b>	<b>592,456</b>	
<b>Net operating income (expense)</b>	<b>347,541</b>	<b>218,894</b>	<b>(140,432)</b>	<b>(76,043)</b>	<b>349,960</b>	<b>6,329</b>	<b>(39,165)</b>	
<b>Nonoperating Revenues (Expenses):</b>								
Interest income	7,863	14,102	20,057	801	42,823	147	12,341	
Rent income	1,531	33,926	---	---	35,457	---	---	
Gain on disposal of assets	---	---	---	---	---	5,400	---	
Interest expense	(25,143)	---	(141,815)	---	(166,958)	(7,442)	---	
Loss on investments	(2,569)	(5,505)	(7,340)	---	(15,414)	---	(4,552)	
<b>Net nonoperating revenue (expense)</b>	<b>(18,318)</b>	<b>42,523</b>	<b>(129,098)</b>	<b>801</b>	<b>(104,092)</b>	<b>(1,895)</b>	<b>7,789</b>	
<b>Net income (loss) before contributions</b>	<b>329,223</b>	<b>261,417</b>	<b>(269,530)</b>	<b>(75,242)</b>	<b>245,868</b>	<b>4,434</b>	<b>(31,376)</b>	
Operating transfers to governmental funds	(13,953)	(1,390)	---	---	(15,343)	---	---	
Transfers to governmental funds - pilot	(168,405)	(146,308)	---	---	(314,713)	---	---	
Capital contributions	131,848	132,758	333,162	164,854	762,622	---	---	
<b>Net increase (decrease) in net position</b>	<b>278,713</b>	<b>246,477</b>	<b>63,632</b>	<b>89,612</b>	<b>678,434</b>	<b>4,434</b>	<b>(31,376)</b>	
<b>Net Position, January 1</b>	<b>6,872,683</b>	<b>8,723,145</b>	<b>11,350,426</b>	<b>3,695,313</b>	<b>30,641,567</b>	<b>858,029</b>	<b>3,096,644</b>	
<b>Net Position, December 31</b>	<b>\$ 7,151,396</b>	<b>\$ 8,969,622</b>	<b>\$ 11,414,058</b>	<b>\$ 3,784,925</b>	<b>\$ 31,320,001</b>	<b>\$ 862,463</b>	<b>\$ 3,065,268</b>	

The accompanying notes to financial statements  
are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Statement of Cash Flows  
Proprietary Funds**

For the Year Ended December 31, 2017

	Enterprise Funds				Internal Service Funds	
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Central Equipment Fund	Central Services Fund
<b>Cash Flows from Operating Activities:</b>						
Receipts from customers	\$ 4,300,611	\$ 1,033,909	\$ 1,347,035	\$ 215,728	\$ 6,897,283	\$ ---
Payments to suppliers	(3,408,925)	(336,920)	(674,106)	(122,448)	(207,137)	(290,141)
Payments to and on behalf of employees	(175,860)	(257,339)	(235,909)	(33,475)	(22,677)	(155,461)
Internal activity - payments from (to) other funds	(467)	(76,951)	---	---	334,952	552,884
Other receipts	63,578	41,490	1,125	33,143	1,912	407
<b>Net cash provided by operating activities</b>	<b>778,937</b>	<b>404,189</b>	<b>438,145</b>	<b>92,948</b>	<b>107,050</b>	<b>1,07,689</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers	(182,358)	(147,698)	---	---	---	---
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Capital expenditures	(191,232)	(401,745)	(659,402)	(118,262)	(362,064)	(7,302)
Proceeds on sale of assets	---	---	---	---	8,900	---
Proceeds on long-term debt	---	---	---	---	300,000	---
Principal paid on long-term debt	(105,000)	---	(504,559)	---	(37,049)	(2,790)
Interest paid on long-term debt	(25,501)	---	(143,598)	---	(2,209)	---
Contributed capital	---	---	239,894	---	---	---
<b>Net cash used for capital and related financing activities</b>	<b>(321,733)</b>	<b>(401,745)</b>	<b>(1,067,665)</b>	<b>(118,262)</b>	<b>(92,422)</b>	<b>(10,092)</b>
<b>Cash Flows from Investing Activities:</b>						
Interest received	7,681	13,711	19,536	801	147	12,018
Purchases of investments	(5,881)	(12,603)	(16,804)	---	---	(10,420)
Proceeds on sale of investments	532	1,140	1,520	---	---	942
<b>Net cash provided by investing activities</b>	<b>2,332</b>	<b>2,248</b>	<b>4,252</b>	<b>801</b>	<b>147</b>	<b>2,540</b>
<b>Increase (decrease) in cash and equivalents</b>	<b>277,178</b>	<b>(143,006)</b>	<b>(625,268)</b>	<b>(24,513)</b>	<b>14,775</b>	<b>100,137</b>
<b>Cash and Equivalents, January 1</b>	<b>605,934</b>	<b>374,870</b>	<b>1,077,269</b>	<b>470,615</b>	<b>124,224</b>	<b>352,635</b>
<b>Cash and Equivalents, December 31</b>	<b>\$ 883,112</b>	<b>\$ 231,864</b>	<b>\$ 452,001</b>	<b>\$ 446,102</b>	<b>\$ 138,999</b>	<b>\$ 452,772</b>
<b>Reconciliation of Cash and Equivalents to Statement of Net Position:</b>						
Cash and equivalents	\$ 705,440	\$ 231,864	\$ (1,010,986)	\$ 446,102	\$ 138,999	\$ 452,772
Restricted assets	177,672	---	1,462,987	---	---	---
<b>Total cash and equivalents</b>	<b>\$ 883,112</b>	<b>\$ 231,864</b>	<b>\$ 452,001</b>	<b>\$ 446,102</b>	<b>\$ 138,999</b>	<b>\$ 452,772</b>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Statement of Cash Flows  
Proprietary Funds**

For the Year Ended December 31, 2017

	Enterprise Funds				Internal Service Funds		
	Electric Utility	Water Utility	Sewer Utility	Stormwater Utility	Central Equipment Fund	Central Services Fund	
	\$ 347,541	\$ 218,894	\$ (140,432)	\$ (76,043)	\$ 6,329	\$ (39,165)	
	1,531	33,926	---	---	---	---	
	440,060	211,142	537,348	158,409	97,462	106,290	
	(70,735)	(33,925)	(38,376)	(456)	---	---	
	(22,563)	(54,855)	---	---	---	---	
	(27,741)	18,035	17,850	1,217	2,432	9,144	
	110,844	10,972	61,755	9,821	827	31,420	
	\$ 778,937	\$ 404,189	\$ 438,145	\$ 92,948	\$ 107,050	\$ 107,689	

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities:**

Operating income (expense)	
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
Rents received	
Depreciation	
Changes in Assets and Liabilities:	
Receivables	
Advances to other funds	
WRS pension accrual	
Payables	

**Net cash provided by operating activities**

**Noncash Capital and Related Financing Activities:**

Capital asset contributions

\$ 131,848	\$ 132,758	\$ 93,267	\$ 164,854	\$ 522,727	\$ ---	\$ ---
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The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF SLINGER**

Slinger, Wisconsin

**Statement of Fiduciary Assets and Liabilities**

**Fiduciary Funds**

December 31, 2017

**Assets:**

Cash and equivalents	\$ 3,350,861
Taxes receivable	2,630,421
Due from other funds	<u>67,459</u>
<b>Total assets</b>	<b><u><u>\$ 6,048,741</u></u></b>

**Liabilities:**

Accounts payable	\$ 31,673
Due to other funds	40,435
Due to other governmental units	<u>5,976,633</u>
<b>Total liabilities</b>	<b><u><u>\$ 6,048,741</u></u></b>

The accompanying notes to financial statements  
are an integral part of these statements.



VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017

1. Summary of Significant Accounting Policies

The Village of Slinger, Wisconsin (Village) was incorporated in 1869. The Village's major operations include police and fire protection, parks, library and recreation, public works and general administrative services. In addition, the Village owns and operates electric, water, sewer and stormwater utilities.

The Village's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Village are discussed below.

A. Scope of Reporting Entity

This report includes all of the funds of the Village of Slinger. The reporting entity for the Village of Slinger is based upon criteria established by the Governmental Accounting Standards Board. All functions of the Village of Slinger for which it exercises financial accountability are generally evidenced by an appointment of a voting majority of the other organization's governing board and either (a) an ability of the Village to impose its will on the other organization or (b) the existence of a potential for the component unit to provide specific financial benefits to or impose financial burdens on the Village. This report includes the Redevelopment Authority of the Village of Slinger, which is considered a component unit. It is reported as a blended component unit of the Village. The combined financial statements exclude the School District of Slinger and the Slinger Housing Authority because the Village does not have operational responsibility over these entities.

B. Basic Financial Statements – Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire protection, parks, library and recreation, public works, and general administrative services are classified as governmental activities. The Village's electric, water, sewer and stormwater services are classified as business-type activities.

In the government-wide statement of net position, both the government and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Eliminations have been made to minimize the double-counting of internal activities. The Village's net position is reported in three parts – net investment in capital asset, restricted net position, and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Village does not allocate indirect costs. The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

1. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the Village:

1. **General Fund** – The general fund is the general operating fund of the Village. It is used to account for all financial resources except those to be accounted for in another fund.
2. **Capital Projects and Equipment Fund** – These funds are used to levy taxes and borrow funds for capital improvements and purchases such as squad cars and squad equipment, street reconstruction projects and other capital projects not covered under individual department budgets.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles applicable are those similar to those used for business in the private sector. The following is a description of the proprietary funds of the Village:

1. **Enterprise Funds** – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business - 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.
2. **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 governments, on a cost-reimbursement basis.

1. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements – Fund Financial Statements (continued)

Proprietary Funds (continued)

The Village's internal service funds are presented in the proprietary funds financial statements. Because the only users of the internal services are the Village's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (police, fire, public works, etc.).

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Measurement Focus and Basis of Accounting

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Payments of general long-term debt and capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds allow the accrual basis of accounting, and do not have a measurement focus.

E. Financial Statement Items – Government-Wide Statements

1. The Village has defined cash and equivalents to include cash on hand, and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Items – Government-Wide Statements (continued)

2. Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period.

As discussed in Footnote 2, the Village categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

*Government Bonds and Government Agency Bonds:* Valued at the present value of future cash flows. The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Village believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Interest income is recorded on the accrual basis. Interest income on commingled investments of Village accounting funds is allocated based on average investment balances. Purchases and sales of investments are recorded on a trade-date basis. Realized and unrealized gains and losses of the Village's assets are reported in the statement of revenues, expenditures and changes in fund balances.

3. Inventories in the proprietary funds are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and are charged to construction and expense when used.

4. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items.

5. Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments as well as the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are recorded as a receivable and reflected as due to other taxing units on the accompanying Statement of Fiduciary Assets and Liabilities. Taxes are levied in December on the assessed value as of the prior January 1.

1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Items – Government-Wide Statements (continued)

Property Tax Calendar - 2017 Tax Roll:

Levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due to County	July 31, 2018
Personal property taxes due in full	January 31, 2018
Tax Settlement with County and other taxing units:	
First settlement	January 15, 2018
Second settlement	February 20, 2018
Final settlement	August 20, 2018
Tax sale by County - 2017 delinquent real estate taxes	October 2021

6. Capital assets purchased or constructed with an original cost of \$5,000 or more are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to January 1, 2003 are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets in the governmental activities are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful lives
Land improvements	10 - 40
Buildings	10 - 40
Infrastructure (except traffic signals - 15)	30
Vehicles	4 - 10
Computer equipment	5 - 10
Equipment	7 - 15

**Proprietary Funds**

The purchases of fixed assets in proprietary funds are capitalized in the accounts. Fixed assets are recorded at cost. Donated fixed assets are recorded at their estimated fair value at the time received. The provision for depreciation is computed at straight-line rates applied to average plant balances. The rates used were approved by the public service commission. The depreciation lives are as follows:

	<u>Years</u>	<u>Years</u>	
Water Plant in Service:			
Source of supply	33	Electric Plant in Service:	
Pumping	20 - 45	Distribution	22 - 34
Water treatment	15	General	7 - 40
Transmission and distribution	20 - 135		
General	7 - 20	Sewer Plant in Service	36
		Stormwater Plant in Service	30

1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Items – Government-Wide Statements (continued)

Additions to and replacements of Utility plant are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction (capitalized interest) when material. 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, is charged to accumulated depreciation.

**Internal Service Fund**

The purchases of fixed assets in the internal service fund are capitalized in the accounts. Fixed assets are recorded at cost. The provision for depreciation is computed at straight-line rates applied to average plant balances. The lives are between three and forty years.

7. The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated annual sick leave balances. The liability has been calculated using the vested method.

F. Financial Statement Items – Fund Financial Statements

**Governmental Funds – Other Policies**

1. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the Village is entitled to the aids.
2. Permits, licenses, penalties, fines, fees, etc. (except cable television fees), public charges for services, public improvement revenues and commercial revenues (except investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Cable television fees, intergovernmental charges for services, and investment earnings are considered susceptible to accrual and are recorded as earned since they are measurable and available.
3. The proceeds from assessments levied for benefits to property owners for installation of sidewalks, roads, and other improvements are recorded as deferred inflows of resources with revenue recognition being the time the assessment becomes both measurable and available (generally at the time of collection).
4. No allowances for uncollectible accounts have been reflected in the financial statements. Delinquent real estate taxes of the Village are paid in full by the county, which assumes the responsibility for collection. In addition, delinquent user charges are placed on the tax roll if not collected.
5. Long-term advances between funds are recorded as receivable and as nonspendable fund balance by the advancing fund.
6. During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets, service debt, etc. The accompanying financial statements generally reflect such transactions as operating transfers.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

1. Summary of Significant Accounting Policies (continued)

F. Financial Statement Items – Fund Financial Statements (continued)

Governmental Funds – Other Policies (continued)

7. The Governmental Accounting Standards Board (GASB) has more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ! Nonspendable – Amounts that cannot be spent because they are either not in spendable form (i.e., convertible into cash) or legally required to be maintained intact.
- ! Restricted – Either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- ! Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village Board.
- ! Assigned – Amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. The Board has taken no formal action to delegate the authority to assign funds.
- ! Unassigned – The residual classification for the General Fund (fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund), and deficit fund balances within other funds. The Board does not have a formal policy addressing the order in which fund balances will be spent, therefore they use the default of descending order from restricted to unassigned.

Proprietary Funds – Other Policies

1. The Village of Slinger Sewer and Stormwater utilities user charges are regulated and established by the Village Board. The Village of Slinger Electric and Water Utilities operate under service rules which are established by the Public Service Commission of the State of Wisconsin. Customers are billed monthly for utility services.
2. The Village of Slinger Utilities are municipal utilities. Municipal utilities are exempt from income taxes and, therefore, no income tax liability is recorded.
3. The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility's ongoing operations. The principal operating revenues of the Utility 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 Utility/Municipal financed capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

1. Summary of Significant Accounting Policies (continued)

G. Deferred Outflows and Inflows of Resources

The separate financial statement elements, deferred inflows and deferred outflows of resources, represents an increase or decrease in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) or outflow of resources (expenditure) until then. The Village had two items that qualify for reporting in these categories. The property taxes are deferred inflows until the upcoming fiscal year. The Village also reports deferred inflows and deferred outflows of resources related to the WRS pension, which is described in more detail in note 12.

H. Pension

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/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 benefits terms. Investments are reported at fair value.

2. Cash and Equivalents and Investments

Cash and equivalents and investments as shown on the Village's statement of net position are subject to the following risks:

	Cash	Investments	Total
Petty Cash	\$ 100	\$ ---	\$ 100
<b>Custodial Risk:</b>			
Demand deposits	9,108,425	7,374	9,115,799
Money market	665,659	---	665,659
Local Government Investment Pool (LGIP)	---	88,789	88,789
<b>Interest Rate and Credit Risk:</b>			
Government bonds	---	550,289	550,289
Government agency bonds	---	1,980,230	1,980,230
<b>Custodial, Interest Rate and Credit Risk</b>			
Certificates of deposit	---	2,064,465	2,064,465
<b>Total</b>	<b>\$ 9,774,184</b>	<b>\$ 4,691,147</b>	<b>\$ 14,465,331</b>

The Village's cash and investments are reported in the financial statements as follows:

Statement of net position:	
Cash and equivalents	\$ 4,698,060
Investments	4,691,147
Restricted cash and equivalents	1,725,263
Statement of fiduciary net position:	
Cash and equivalents	\$ 3,350,861
<b>Total</b>	<b>\$ 14,465,331</b>



VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

2. Cash and Equivalents and Investments (continued)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in each local and area bank and in the Wisconsin Local Government Investment Pool (LGIP) are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental entities. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

The LGIP does not have a credit quality rating and is also not subject to credit risk disclosure because investments are not issued in securities form. It is part of the SIF and is managed by the State of Wisconsin Investment Board. The LGIP 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 and carries investments at amortized cost for purposes of calculating income to participants. 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.

Participants in LGIP have the right to withdraw their funds in total on one day's notice. The LGIP does not include any involuntary participants.

A separate financial report for SIF is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from <http://www.dba.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

**Custodial 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's carrying value for demand deposits and other investments subject to custodial risk were \$11,934,710 at December 31, 2017 and the bank's carrying value was \$11,979,565 of which \$1,113,134 was fully insured, \$8,686,244 was collateralized and \$2,180,187 was uninsured and uncollateralized. The Village does not have a policy on custodial risk.

Fluctuating cash flows during the year due to the timing of receipt of tax collections, other revenues, and financing sources may have resulted in temporary uninsured balances significantly exceeding the amounts reported under custodial risk.

**Interest Rate Risk:** Is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. Information regarding the exposure of the Village's investments to this risk, using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)				Over 6-10 Years
		Less Than 1 Year	1-5 Years	5-10 Years	10 Years	
Certificates of deposit	\$ 2,064,465	\$ 873,139	\$ 1,191,326	\$ ---	\$ ---	\$ ---
Government bonds	550,289	242,148	308,141	---	---	---
Government agency bonds	1,980,230	---	1,980,230	---	---	---
<b>Total</b>	<b>\$ 4,594,984</b>	<b>\$ 1,115,287</b>	<b>\$ 3,479,697</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

2. Cash and Equivalents and Investments (continued)

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities.

Presented below is the minimum rating required for each type of investment:

Type of Investment	Amount	Rating as of Year End		
		AAA	AA2	Not Rated
Certificates of Deposit	\$ 2,064,465	\$ ---	\$ ---	\$ 2,064,465
Government bonds	550,289	---	---	550,289
Government agency bonds	1,980,230	1,980,230	---	---
<b>Total</b>	<b>\$ 4,594,984</b>	<b>\$ 1,980,230</b>	<b>\$ 550,289</b>	<b>\$ 2,064,465</b>

The Village invests its funds in accordance with the provisions of the Wisconsin Statutes 66.04(2) and 67.11(2), which are as follows:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Repurchase agreements secured by federal bonds or securities with public depositories.
7. Bonds issued by local exposition districts.
8. Bonds issued by local professional baseball park districts and professional football stadium districts.
9. Bonds issued by the University of Wisconsin Hospitals and Clinic Authority.
10. The Local Government Investment Pool Fund.

Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. There were no significant violations during the year of legal or contractual provisions of investments or deposits.

The Village categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village does not have any investments that are measured using Level 3 inputs.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

2. Cash and Equivalents and Investments (continued)

Investments' fair value measurements are as follows at December 31, 2017:

Type of Investment	Fair Value			Exempt from Disclosure	Total
	Level 1	Level 2	Level 3		
Demand deposits	\$ 7,374	\$ ---	\$ ---	\$ ---	\$ 7,374
Certificates of deposit	---	---	---	2,064,465	2,064,465
Local Government Investment Pool (LGIP)	---	---	---	88,789	88,789
Government bonds	---	550,289	---	---	550,289
Government agency bonds	---	1,980,230	---	---	1,980,230
<b>Total</b>	<b>\$ 7,374</b>	<b>\$ 2,530,519</b>	<b>\$ ---</b>	<b>\$ 2,153,254</b>	<b>\$ 4,691,147</b>

LGIP is exempt from fair value disclosure due to investments being valued at amortized cost. Certificates of deposit are exempt from fair value disclosures due to investments being valued at cost plus accrued interest earned.

3. Restricted Cash and Equivalents

The Village has restricted cash and equivalents as detailed below as of December 31, 2017:

General Fund:		
Deposit from developer for payment of development costs		\$ 84,604
Electric Utility:		
Special Redemption Fund for payment of principal and interest on debt		\$ 177,672
Sewer Utility:		
Special Redemption Fund for payment of principal and interest on debt	\$ 876,160	
Sewerage System Depreciation Fund	586,827	
	<u>\$ 1,462,987</u>	

4. Interfund Receivables and Payables

Interfund receivables and payables arise in the ordinary course of operations; they are settled monthly. The following is a schedule of interfund receivables and payables at December 31, 2017:

Receivable Fund	Payable Fund	Amount	Purpose
General	Electric	\$ 198,443	Operations
General	Water	123,514	Operations
General	Agency	40,435	Funds collected
		<u>\$ 362,392</u>	
Agency	General	\$ 67,459	Tax refunds

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

5. Interfund Transfers

Interfund transfers arise in the ordinary course of operations. Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfer To	Transfer From	Amount	Purpose
Capital Projects and Equipment	General	\$ 410,852	Capital project funding
General	Electric	\$ 168,405	Tax equivalent - pilot
General	Water	146,308	Tax equivalent - pilot
		<u>\$ 314,713</u>	
Water	General	\$ 29,772	Asset transfer
Sewer	General	14,846	Asset transfer
Stormwater	General	28,605	Asset transfer
		<u>\$ 73,223</u>	
General	Electric	\$ 13,953	Residual equity transfer
General	Water	1,390	Residual equity transfer
		<u>\$ 15,343</u>	
General	Other governmental funds	\$ 47,424	Debt payments

6. Loans and Notes Receivable

On April 2, 2012 the board approved the issuance of a \$100,000 loan to a local business owner. The loan is to be paid back to the Village over a seven year term, with an annual interest rate of 3.25%. Various equipment of the loan recipient is pledged as collateral.

Date of Issue	Interest Rate	Original Amount	12/31/17 Balance	Due Within One Year
2012	3.25%	\$ 100,000	\$ 22,115	\$ 15,502
			<u>\$ 22,115</u>	<u>\$ 15,502</u>
Year ended December 31,		Principal	Interest	
2018		\$ 15,502	\$ 489	
2019		6,613	54	
Total		<u>\$ 22,115</u>	<u>\$ 543</u>	

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

7. Advances Between Funds

Advances between funds represent interfund long-term loans.

The General Fund has advanced funds to TIF District #4 & TIF District #5. No interest is being charged on the outstanding balances.

The RDA Fund has advanced funds to TIF District #4. The TIF District #4 is being charged interest at the current board approved rate of 3.25%.

The Water Utility and Electric Utility has advanced funds to TIF District #5. No interest is being charged on the outstanding balances.

Advances to TIF District #4:

	January 1, 2017	Additions	Repayments	December 31, 2017
Advancing Fund	\$ 29,435	\$ 10,181	\$ ---	\$ 39,616
General fund	183,232	4,917	---	188,149
RDA	212,667	15,098	---	227,765

Advances to TIF District #5:

	January 1, 2017	Additions	Repayments	December 31, 2017
Advancing Fund	\$ 19,073	\$ 2,045	\$ ---	\$ 21,118
General fund	---	22,563	---	22,563
Electric Utility	---	54,855	---	54,855
Water Utility	19,073	79,463	---	98,536

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

8. Capital Assets

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

Governmental Activities:	12/31/16	Increase	Decrease	12/31/17
Capital assets not being depreciated:	\$ 5,562,189	\$ 42,355	\$ ---	\$ 5,604,544
Land	342,280	11,521	342,280	11,521
Construction in progress	5,904,469	53,876	342,280	5,616,065
Total capital assets not being depreciated	5,262,607	36,609	---	5,299,216
Capital assets being depreciated:	8,895,831	1,145,055	158,851	9,882,035
Buildings and improvements	849,320	230,879	123,328	956,871
Infrastructure	1,638,159	219,789	31,280	1,826,668
Vehicles	16,645,917	1,632,332	313,459	17,964,790
Machinery and equipment	8,714,701	610,624	232,450	9,092,875
Total capital assets being depreciated	7,931,216	1,021,708	81,009	8,871,915
Less accumulated depreciation				
Total capital assets being depreciated, net	\$ 13,835,685	\$ 1,075,584	\$ 423,289	\$ 14,487,980
<b>Governmental activity capital assets, net</b>				

Business-type activities:

Capital assets not being depreciated:	\$ 400,307	\$ ---	\$ ---	\$ 400,307
Land	452,646	1,562,198	1,557,849	456,995
Construction in progress	852,953	1,562,198	1,557,849	857,302
Total capital assets not being depreciated	13,479,659	283,127	14,580	13,748,206
Capital assets being depreciated:	32,141,553	1,605,894	105,562	33,641,885
Buildings and improvements				
Machinery and equipment	45,621,212	1,889,021	120,142	47,390,091
Total capital assets being depreciated	13,857,474	1,346,961	120,142	15,084,293
Less accumulated depreciation				
Total capital assets being depreciated, net	31,763,738	542,060	---	32,305,798
<b>Business-type activities capital assets, net</b>	\$ 32,616,691	\$ 2,104,258	\$ 1,557,849	\$ 33,163,100

Governmental activity capital assets include \$185,400 of equipment acquired under a capital lease. Amortization of leased equipment under capital assets is included with depreciation expense.

Depreciation expense for governmental activities was charged to functions as follows:

Public safety	\$ 39,293
Public works	293,355
Parks and recreation	54,544
Library	19,680
Unallocated	203,752
	\$ 610,624

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

9. Long-term Debt

The following is a summary of long-term debt obligations of the Village for the year ended December 31, 2017:

	Balance 12/31/16	Increase	Decrease	Balance 12/31/17	Amounts Due Within One Year
<b>Governmental activities:</b>					
Long-term debt					
State trust fund loan	\$ 19,995	\$ 300,000	\$ ---	\$ 300,000	\$ 57,151
Promissory notes	19,995	---	(2,790)	17,205	2,790
Total long-term debt	39,990	300,000	(2,790)	317,205	59,941
Capital leases	75,187	---	(37,049)	38,138	38,138
<b>Total long-term obligations</b>	<b>\$ 115,177</b>	<b>\$ 300,000</b>	<b>\$ (39,839)</b>	<b>\$ 355,343</b>	<b>\$ 98,079</b>
<b>Business-type activities:</b>					
Long-term debt					
General obligation debt	\$ 2,560,000	\$ ---	\$ (175,000)	\$ 2,385,000	\$ 200,000
Revenue bonds	4,263,049	---	(434,559)	3,828,490	442,808
<b>Total long-term obligations</b>	<b>\$ 6,823,049</b>	<b>\$ ---</b>	<b>\$ (609,559)</b>	<b>\$ 6,213,490</b>	<b>\$ 642,808</b>

Long-term debt payable at December 31, 2017, is comprised of the following individual issues:

Description	Issue Dates	Interest Rates	Date of Maturity	Issued Amount	Balance 12/31/17
<b>Governmental activities:</b>					
Promissory notes	02/28/14	0.00%	02/28/24	\$ 27,900	\$ 17,205
State trust fund loan (STFL)	04/17/17	3.00%	03/15/22	\$ 300,000	\$ 300,000
				\$ 327,900	\$ 317,205
<b>Business-type activities:</b>					
Electric Utility:					
Revenue bonds	03/06/07	3.70 to 4.30%	06/01/22	\$ 2,100,000	\$ 555,000
Sewer Utility:					
Clean water fund loan	05/01/04	2.75%	05/01/23	1,779,260	670,721
Clean water fund loan	05/01/08	2.39%	05/01/27	4,146,535	2,602,769
G.O. bonds	11/02/11	0.5 - 2.9%	11/01/26	4,560,000	2,385,000
				\$ 12,585,795	\$ 6,213,490

On June 9, 2016, the Village defeased \$1,065,000 of Business-type activity General Obligation Refunding Bonds by opening an escrow account to meet future debt service requirements as they become due. As of December 31, 2017, \$1,000,000 of the defeased bonds to be paid by the escrow account remained outstanding.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

9. Long-term Debt (continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2017, including interest payments of \$789,702, are shown below.

Year Ended Dec. 31,	STFL and G.O. Debt Principal	STFL and G.O. Debt Interest	Rev. Bonds Principal	Rev. Bonds Interest	Promissory Notes Principal	Promissory Notes Interest	Total
2018	\$ 257,151	\$ 64,481	\$ 442,808	\$ 97,684	\$ 2,790	\$ ---	\$ 864,914
2019	283,051	60,380	456,264	84,674	2,790	---	887,160
2020	309,778	54,604	464,933	71,303	2,790	---	903,408
2021	336,586	47,796	478,820	57,551	2,790	---	923,543
2022	338,434	39,898	487,930	43,411	2,790	---	912,463
2023-2027	1,160,000	82,265	1,497,736	85,654	3,255	---	2,828,910
	<u>\$ 2,685,000</u>	<u>\$ 349,425</u>	<u>\$ 3,828,491</u>	<u>\$ 440,277</u>	<u>\$ 17,205</u>	<u>\$ ---</u>	<u>\$ 7,320,388</u>

Future principal and interest due on all capital leases outstanding as of December 31, 2017, are shown below.

Year Ended Dec. 31,	Capital Lease Principal	Capital Lease Interest	Total
2018	\$ 38,138	\$ 1,121	\$ 39,259

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of the taxable property within the Village. The debt limit, as of December 31, 2017, was \$26,209,070. General obligation debt subject to the limit totaled \$2,685,000 as of December 31, 2017.

The borrowing resolutions for the Electric and Sewerage System Revenue Bonds contained a number of conditions and restrictions. The system revenue bonds are secured by a pledge of revenues of the respective utility. They require that the following funds be created:

Clean Water Fund

The clean water fund borrowings require a special redemption fund for the payment of principal and interest. The amount to be deposited shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing. The amount required to be deposited at December 31, 2017 was \$231,932. The balance of the fund at December 31, 2017 was \$876,160.

Electric Utility Revenue Bonds

The electric utility revenue bonds require a special redemption fund for the payment of principal and interest. The amount to be deposited shall be not less than the lesser of 1.25 times the average annual balance remaining to be paid or the maximum annual debt service on the outstanding bonds. The amount required to be deposited at December 31, 2017 was \$126,735. The balance of the fund at December 31, 2017 was \$177,672.



VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

9. Long-term Debt (continued)

Equipment Replacement Fund

Annual deposits are required in amounts sufficient to meet equipment replacement needs. The funds are to be used for replacement and major repair of equipment necessary for the operation of the sewerage system. The balance of the fund at December 31, 2017 was \$586,827.

Electrical Rate Covenant

The Village is required to establish, charge and collect rates and charges for electrical services so that net revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenues of the electric utility each year. The amount of required net revenues at December 31, 2017 was \$157,729. The amount of the net revenues for the year ended December 31, 2017 was \$713,753.

10. Fund Balances

As of December 31, 2017, governmental fund balances are composed of the following:

	General Fund	Capital Projects and Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Long-term loan receivable	\$ ---	\$ ---	\$ 22,115	\$ 22,115
Long-term advance	60,734	---	188,149	248,883
Delinquent taxes	27,527	---	---	27,527
<b>Restricted:</b>				
Debt service	---	---	14,031	14,031
Parks	---	---	55,974	55,974
Library	---	---	463,326	463,326
Veteran memorial	---	---	1,149	1,149
Public celebration	---	---	6,780	6,780
Municipal building expansion	---	---	45,945	45,945
RDA	---	---	496,811	496,811
Capital projects and equipment	2,593,911	271,377	---	2,865,288
<b>Unassigned</b>				
	---	---	(308,169)	---
Total fund balances	\$ 2,682,172	\$ 271,377	\$ 986,111	\$ 3,939,660

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

11. Net Position

Net Position at December 31, 2017 consisted of the following:

	Governmental Activities	Business-type Activities
<b>Net investment in capital assets:</b>		
Land and construction in progress	\$ 5,616,065	\$ 857,302
Other capital assets net of accumulated depreciation	8,871,915	32,305,798
Less: related long term debt	(355,343)	(6,213,490)
<b>Total net investment in capital assets</b>	<b>14,132,637</b>	<b>26,949,610</b>
<b>Restricted:</b>		
Debt Service	14,031	395,623
Replacement fund	---	586,827
Recreation	55,974	---
Library	463,326	---
Capital Projects	670,283	---
Other	53,874	---
<b>Unrestricted</b>	<b>2,790,100</b>	<b>3,387,941</b>
<b>Total net position</b>	<b>\$ 18,180,225</b>	<b>\$ 31,320,001</b>

12. Defined Benefit 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 unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

12. Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

Final average earnings is the average of the participant's three highest years' earnings. Creditable services 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.

WRS also provides death and disability benefits for employees.

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	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as for general employees. Employees 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 (calendar year 2016), the WRS recognized \$146,286 in contributions from the employer.

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

12. Defined Benefit Pension Plan (Continued)

Contributions (Continued)

Contribution rates as of December 31, 2017 are:

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

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources

At December 31, 2017, the Village reported a liability of \$123,287 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the Village's proportion was 0.01495773%, which was an increase of 0.00038% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$289,395.

At December 31, 2017, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,010	\$ 387,728
Changes in assumptions	128,902	---
Net difference between projected and actual earnings on pension plan investments	735,244	121,558
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,365	6,459
Employer contributions subsequent to the measurement date	299,270	---
<b>Total</b>	<b>\$ 1,211,791</b>	<b>\$ 515,745</b>

VILLAGE OF SLINGER  
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Notes to Financial Statements  
December 31, 2017  
(Continued)

12. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The amount of \$299,270 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 318,102	\$ (155,782)
2019	318,102	(155,782)
2020	266,150	(155,769)
2021	9,953	(48,337)
2022	214	(75)

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

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

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

12. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2016 are summarized in the following table:

Core Fund Asset Class	Current Asset Allocation	Destination Target Asset Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	50.0%	45.0%	8.3%	5.4%
Fixed Income	24.5	37.0	4.2	1.4
Inflation Sensitive Assets	15.5	20.0	4.3	1.5
Real Estate	8.0	7.0	6.5	3.6
Private Equity/Debt	8.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.6	3.7
Total Core Fund	110.0	120.0	7.4	4.5
<b>Variable Fund Asset Class</b>				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0	100.0	7.9	5.0

New England Pension Consultants Long Term US CPI (inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$1,621,925	\$123,287	\$ (1,030,731)

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

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

12. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Payables to the pension plan at December 31, 2017 were \$35,267. This represents contributions earned as of December 31, 2017, but for which payment was not remitted to the pension plan until subsequent to year-end.

13. Other Post-Employment Benefits

The Village group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post-employment benefit (OPEB) commonly referred to as an implicit rate subsidy. Employees participating in the OPEB benefit consisted of the following at December 31, 2015, the date of the latest valuation:

Retirees	---
Active	35
Number of participating employees	<u>35</u>

For fiscal year 2017, the Village contributed \$-0- to eligible retirees.

The Village's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the Retiree Health Plan.

Annual required contribution	\$ 210,301
Interest on net OPEB obligation	40,468
Adjustment for actuarial maximum threshold	(172,582)
Adjustment to annual required contribution	<u>(40,468)</u>
Annual OPEB cost	37,719
Contributions made	---
Increase in net OPEB obligation	<u>37,719</u>
Net OPEB obligation – beginning of year	1,618,732
Net OPEB obligation – end of year	<u>\$ 1,656,451</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the most recent years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 210,303	0%	\$ 1,408,431
2016	210,303	0%	1,618,734
2017	<u>37,719</u>	0%	<u>1,656,451</u>

VILLAGE OF SLINGER  
Slinger, Wisconsin

Notes to Financial Statements  
December 31, 2017  
(Continued)

13. Other Post-Employment Benefits (Continued)

As of December 31, 2015 the most recent actuarial valuation date, the OPEB Plan was 0.00 percent funded. The accrued liability for benefits was \$1,656,450, and the value of assets was \$0, resulting in an unfunded accrued liability of \$1,656,450.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Measured amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the values of plan assets are increasing or decreasing over time relative to the accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest alternative measurement (AM) valuation follows:

AM valuation date	12/31/2015
AM cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	30 years
Asset valuation method	N/A
AM assumptions	
Investment rate of return	2.5%
Projected payroll increases	2.0%
Average retirement age	60
Future contribution strategy	Remain a level percentage of the total cost over time

14. Utility and Sewer Rates

A. Electric Utility

Current electric rates were approved by the Public Service Commission of Wisconsin (PSCW) on December 21, 2006 and placed into effect by the utility on January 5, 2007. These rates were designed to provide a 6.50% return on rate base.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Financial Statements**  
December 31, 2017  
(Continued)

**14. Utility and Sewer Rates (Continued)**

**B. Water Utility**

Current water rates were approved by the PSCW on January 19, 2011 and placed into effect on January 31, 2011. The rates were designed to provide a 3.00% return on rate base. In addition, the Village bills residents who are not general service customers of the utility for the public fire protection fee in the amount of \$5.40 per month.

**C. Sewer Rates**

Current sewer rates were put in place on January 1, 2017. The following are the components of the sewer rates.

Customer charge per REC	\$ 6.82
Flow charge per 1,000 gal.	8.98

**D. Stormwater Utility**

Current stormwater utility user fees were put in place on January 1, 2016. The utility charges user fees in the amount of \$50.00 per Equivalent Runoff Unit.

**15. Tax Incremental Financing Districts**

**A. Tax Incremental District No. 4**

The Village of Slinger Tax Incremental District No. 4 was created on August 3, 2015 pursuant to the tax increment law contained in Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated to the increased value of property after the creation date of the district. The tax on the increased value is called tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until five years after the last project expenditure, whichever occurs first. Project expenditures may not be made later than fifteen years after the district has been created. Accordingly, the maximum statutory life of a tax incremental district No. 4 is twenty years.

The following is a summary of net project costs to be recovered for the Village's Tax Incremental District No. 4 at December 31, 2017 (cumulative from the date of creation):

Accumulated project revenues:	
Tax increments	\$ 53,263
Interest income	56
Total	<u>53,319</u>
Accumulated project expenditures:	
Administration	68,543
Development costs	188,214
Interest on advance	6,198
Total	<u>262,955</u>
Net project costs to be recovered	<u>\$ 209,636</u>

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Financial Statements**  
December 31, 2017  
(Continued)

**15. Tax Incremental Financing Districts (Continued)**

**B. Tax Incremental District No. 5**

The Village of Slinger Tax Incremental District No. 5 was created on May 10, 2016 pursuant to the tax increment law contained in Section 66.1105 of the Wisconsin Statutes. The District was created as a rehabilitation or conservation district. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated to the increased value of property after the creation date of the district. The tax on the increased value is called tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until five years after the last project expenditure, whichever occurs first. Project expenditures may not be made later than twenty-two years after the district has been created. Accordingly, the maximum statutory life of a tax incremental district No. 5 is twenty seven years.

The following is a summary of net project costs to be recovered for the Village's Tax Incremental District No. 5 at December 31, 2017 (cumulative from the date of creation):

Accumulated project revenues:	
Interest income	\$ 3
Total	<u>3</u>
Accumulated project expenditures:	
Administration	21,118
Development costs	77,418
Total	<u>98,536</u>
Net project costs to be recovered	<u>\$ 98,533</u>

**16. Fund Deficits**

The basic financial statements include the following funds with cumulative fund deficits at December 31, 2017. The deficits will be absorbed through future years' revenues and tax increments.

	Fund	Deficit
Capital projects fund:		
TIF District #4	\$ 209,636	
TIF District #5		98,533

**17. Redevelopment Authority of the Village of Slinger**

In a prior year, the Village created the Redevelopment Authority of the Village of Slinger, Wisconsin (Authority). The Authority was created pursuant to Wisconsin Statutes and is a separate and distinct public body. The purpose of the Authority is to carry out qualified redevelopment projects as allowed by state statutes.

The Village appoints a voting majority of the Redevelopment Authority's governing body, and can remove appointed members of the governing board at will. Therefore, in accordance with the criteria provided by GASB, the Authority is reported as a blended component unit of the Village. The blended method of reporting the financial data of the Authority presents the Authority's balances and transactions in a manner similar to that of the Village.



**18. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage over the past year. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**19. Commitments and Contingencies**

**A. Grants**

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

**B. The Wisconsin Public Power Incorporated System (WPPI) Contract**

The Slinger Electric Utility purchases its electric requirements from the Wisconsin Public Power Incorporated System (WPPI). WPPI is a municipal electric company and political subdivision of the State of Wisconsin created by contract by its members on September 5, 1980 pursuant to the Municipal Electric Company Act, Sec. 66.073 of the Wisconsin Statutes (the Act). WPPI's purposes include providing an adequate, economical and reliable supply of electric energy to its members.

The Slinger Electric Utility is one of numerous members of WPPI located throughout the state of Wisconsin, Iowa and Michigan. On December 1, 1989, each of WPPI's members, including Slinger, commenced purchasing electric service from WPPI under a new Long Term Power Supply Contract for Participating Members (the Long Term Contract) under which WPPI has agreed to sell and deliver to each member, and each member has agreed to take and pay for, the electric power and energy requirements of the members for an initial thirty-five (35) year term.

Under the Long-Term Contract, the Slinger Electric Utility and the other members of WPPI are required to pay for all power and energy requirements supplied or made available by WPPI at rates sufficient to cover WPPI's entire revenue requirement which includes power supply costs, administrative expenses and debt service on outstanding bonds. WPPI's subsequent year's rates and operating budget are approved annually by its Board of Directors, which consists of representatives from each member municipality.

On September 9, 2015, the Village signed an amended WPPI contract that established a new forty (40) year term. This amendment extends the original contract through December 31, 2055.

The Slinger Electric Utility has agreed to charge rates to its customers sufficient to meet its obligations to WPPI. The Long-Term Contract provides that all payments to WPPI under the Contract constitute operating expenses of the Slinger Electric Utility.

The Long-Term Contract may be terminated by either party upon five years' prior written notice effective at the end of the thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met.

**19. Commitments and Contingencies (Continued)**

**C. Fire Fighting Contract**

The Village of Slinger has a long-standing contract agreement with the Slinger Fire Department, Inc. The agreement specifies that the Village shall pay based on the prior year level multiplied by the Village's rate of net new construction or the levy limit percentage, whichever is greater. The Slinger Fire Department, Inc. is not a component unit of the Village. The Village paid \$258,912 for fire protection in 2017.

**D. Litigation**

From time to time, the Village is involved in legal actions, most of which normally occur in governmental operations. Legal actions are generally defended by the Village's various insurance carriers, since most claims brought against the Village are covered by insurance policies. In the opinion of Village management, any legal actions and any other proceedings known to exist at December 31, 2017, are not likely to have a material adverse impact on the Village's financial position.

**E. Recapture Agreement**

**Tax Incremental District No. 4**

The Village entered into a development agreement during the period ending December 31, 2015. This agreement established that the Village shall pay, subject to tax increments, up to \$670,000 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2017, ending on October 31, 2031, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2031 the full \$670,000 has not been paid, this agreement will be considered paid in full.

The Village entered into an additional development agreement with the same developer during the period ending December 31, 2016. This agreement established that the Village shall pay, subject to tax increments, up to \$258,000 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2018, ending on October 31, 2033, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2033 the full \$258,000 has not been paid, this agreement will be considered paid in full.

The Village entered into an additional development agreement with the same developer during the period ending December 31, 2017. This agreement established that the Village shall pay, subject to tax increments, up to \$418,000 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2020, ending on October 31, 2033, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2033 the full \$418,000 has not been paid, this agreement will be considered paid in full.

Total payments amounted to \$35,191 as of December 31, 2017.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Financial Statements**  
December 31, 2017  
(Continued)

**19. Commitments and Contingencies (Continued)**

**Tax Incremental District No. 5**

The Village entered into a development agreement during the period ending December 31, 2016. This agreement established that the Village shall pay, subject to tax increments, up to \$1,018,481 to the developer. Installment payments will be made on October 31 of each year, beginning on October 31, 2018, ending on October 31, 2040, or when the full amount has been paid, whichever occurs first. The amount of each year's installment shall be up to the available tax increment calculated as of September 30 of that year. If after making the final payment on October 31, 2040 the full \$1,018,481 has not been paid, this agreement will be considered paid in full. No payments have been made to the developer as December 31, 2017.

**F. Other**

At the end of 2014, the Village entered into a contract engaging the City of Hartford as an independent contractor to provide operating services to the Village's electric utility. Either party can terminate the contract upon twelve months' prior written notice to the other party.

During 2016, the Village entered into a contract engaging the Village of Richfield as an independent contractor to provide building inspection services to the Village. The contract requires the Village to pay a portion of the Village of Richfield's annual budgeted expenses related to inspection services and an additional administrative fee of 6.5%. The term of the agreement is January 1, 2017 through December 31, 2021. The agreement will automatically renew annually unless 365 day written notice has been given. Either party can terminate the contract upon twelve months' prior written notice to the other party.

The Village has entered into two contracts for water tank maintenance. The contracted company will annually inspect and service the tank beginning in 2005 on the first contract, and in 2010 on the second contract. The company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The contracts will continue for an indefinite period provided the annual fee is paid in accordance with the terms of payment as follows:

	<b>Year ended</b>	<b>2005</b>	<b>2010</b>
	<b>December 31,</b>	<b>Contract</b>	<b>Contract</b>
2018	\$ 14,736	\$	23,936
2019		---	23,936

The annual fee on the 2005 contract, is now a year to year contract, and can be adjusted up or down, to reflect the current cost of services. The adjustments shall be limited to a maximum of 5% annually. Starting in 2020 the annual fee on the 2010 contract can be adjusted every three years, up or down, to reflect the current cost of services. The adjustments shall be limited to a maximum of 5% annually.

During 2015, the Village entered into contract for an independent contractor to inspect and document its findings on the portable water distribution system within the community, which runs through June 30, 2019. The Village will pay a rate of \$1,433 per month.

Subsequent to year end the Village entered into a contract for hauling biosolids contact through December 31, 2022. The Village will pay a rate of \$0.024 for 2018-2019 and \$0.025 for 2020-2022 per gallon of biosolids plus a fuel surcharge if fuel goes above \$4.00 per gallon.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Financial Statements**  
December 31, 2017  
(Continued)

**20. Lease as Lessor**

The Village has entered into a lease agreement with a telecommunications company, wherein the Village has agreed to allow the use of Village property for the purpose of telecommunication relays. The lease expires on April 30, 2022 and automatically renews each year unless a six month notice of cancellation is given by the lessee. Payments received on these leases totaled \$27,504 for the year ended December 31, 2017. Future minimum lease payments receivable in conjunction with these leases are as follows:

<b>Year:</b>	<b>Amount</b>
2018	\$ 27,504
2019	27,504
2020	27,504
2021	27,504
<b>Total</b>	<b>\$ 110,016</b>

**21. Subsequent Events**

Management has evaluated all subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, May 4, 2018. Subsequent to year end the Village signed a new sludge hauling contract, see footnote 19F for additional details. No additional events were identified that required recognition or disclosure.

**22. Effect of New Accounting Standards on Financial Statements**

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

- ! Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- ! Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*
- ! Statement No. 81, *Irrevocable Split Interest Agreements*
- ! Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73*
- ! Statement No. 83, *Certain Asset Retirement Obligations*
- ! Statement No. 84, *Fiduciary Activities*
- ! Statement No. 85, *Omnibus 2017*
- ! Statement No. 86, *Certain Debt Extinguishment Issues*
- ! Statement No. 87, *Leases*

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

**23. Signed Asset Purchase Agreement**

During May 2016 the Village signed an agreement with Wisconsin Electric Power Company (Company) for the right to provide electrical services within the Company's distribution territory. The initial term of the agreement is 10 years. Also during October 2017, the Village signed an agreement to purchase service equipment from the Company in the amount of \$868,669. The agreements have been signed but don't become effective until approved by the Public Service Commission of Wisconsin. As of May 4, 2018 the Village has not received approval.

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Budgetary Comparison Schedule**  
**General Fund**

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Taxes	\$ 2,232,565	\$ 2,231,628	\$ 2,231,628	\$ (937)
Intergovernmental	315,980	314,980	390,248	75,268
Licenses and permits	262,500	262,500	318,801	56,301
Fines, forfeits and penalties	96,000	96,000	157,428	61,428
Public charges for services	129,250	129,250	112,901	(16,349)
Intergovernmental charges for services	22,000	22,000	19,421	(2,579)
Miscellaneous	71,000	71,000	38,175	(32,825)
<b>Total revenues</b>	<b>3,129,295</b>	<b>3,128,295</b>	<b>3,268,602</b>	<b>140,307</b>
<b>Expenditures</b>				
<b>General Government:</b>				
Village Board	71,336	37,080	34,439	2,641
Committees	2,600	2,600	1,625	975
Legal	55,000	55,000	67,757	(12,757)
Village President	5,683	5,683	5,477	206
Village Administrator	26,688	27,096	25,378	1,718
Clerk	43,746	44,687	43,273	1,414
Elections	4,700	4,700	3,710	990
Treasurer	23,086	23,369	22,805	564
Assessment of property	18,380	18,380	17,477	903
Municipal building	68,784	68,784	68,784	---
<b>Total general government</b>	<b>320,003</b>	<b>287,379</b>	<b>290,725</b>	<b>(3,346)</b>
<b>Public Safety:</b>				
Police administrative	320,956	323,511	324,289	(778)
Police enforcement	1,130,050	1,135,952	1,084,259	51,693
Fire protection	467,612	467,612	469,276	(1,664)
Inspection	101,018	101,018	98,679	2,339
Disaster control	14,750	14,750	12,931	1,819
<b>Total public safety</b>	<b>2,034,386</b>	<b>2,042,843</b>	<b>1,989,434</b>	<b>53,409</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

See Independent Auditors' Report and Notes to Required Supplementary Information



VILLAGE OF SLINGER  
Slinger, Wisconsin

Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Public Works:</b>				
Administration	\$ 141,628	\$ 141,856	\$ 146,680	(4,824)
Highway and street maintenance and construction	255,419	256,887	231,949	24,938
Road related facilities	10,000	10,000	26,898	(16,898)
Street lights	68,900	68,900	67,878	1,022
Sidewalks	3,000	3,000	6,665	(3,665)
Refuse and garbage collection	265,000	265,000	273,197	(8,197)
Recycling collection	87,336	87,763	90,975	(3,212)
<b>Total public works</b>	<b>831,283</b>	<b>833,406</b>	<b>844,242</b>	<b>(10,836)</b>
<b>Health and Human Services:</b>				
Animal control	1,538	1,538	1,538	---
<b>Culture, Recreation and Education:</b>				
Parks	169,586	189,880	153,402	36,478
Forestry	19,509	19,656	35,848	(16,192)
<b>Total culture, recreation and education</b>	<b>189,095</b>	<b>209,536</b>	<b>189,250</b>	<b>20,286</b>
<b>Conservation and Development:</b>				
Planning	115,000	115,000	102,477	12,523
<b>Total conservation and development</b>	<b>115,000</b>	<b>115,000</b>	<b>102,477</b>	<b>12,523</b>
<b>Capital Outlay</b>	<b>---</b>	<b>---</b>	<b>20,209</b>	<b>(20,209)</b>
<b>Total expenditures</b>	<b>3,491,305</b>	<b>3,489,702</b>	<b>3,437,875</b>	<b>51,827</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(362,010)</b>	<b>(361,407)</b>	<b>(169,273)</b>	<b>192,134</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	---	---	47,424	47,424
Transfers - pilot	328,895	328,895	314,713	(14,182)
Operating transfers from proprietary funds	33,115	33,115	15,343	(17,772)
Operating transfers out	---	---	(410,852)	(410,852)
<b>Net change in fund balances</b>	<b>---</b>	<b>603</b>	<b>(202,645)</b>	<b>(203,248)</b>
<b>Fund Balances, January 1</b>	<b>2,884,817</b>	<b>2,884,817</b>	<b>2,884,817</b>	<b>---</b>
<b>Fund Balances, December 31</b>	<b>\$ 2,884,817</b>	<b>\$ 2,885,420</b>	<b>\$ 2,682,172</b>	<b>(203,248)</b>

See Independent Auditors' Report and Notes to Required Supplementary Information

VILLAGE OF SLINGER  
Slinger, Wisconsin

Required Supplementary Information  
Schedule of Funding Progress  
December 31, 2017

The funded status of the OPFB benefit as of the most recent alternative measurement (AM) valuation date is as follows:

AM Valuation Date	AM Valuation of Assets	AM Accrued Liability (AAL)	AM Unfunded Liability	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
December 31, 2015	\$ ---	\$ 1,666,450	\$ 1,656,450	---	\$ 1,888,323	88%
December 31, 2012	\$ ---	\$ 1,836,936	\$ 1,836,936	---	\$ 1,736,001	106%
December 31, 2009	\$ ---	\$ 1,394,252	\$ 1,394,252	---	\$ 1,704,731	82%

Notes:  
1. The data presented in this schedule was taken from the calculation prepared by the Village under the alternative measurement method.

Schedule of Employer Contributions  
December 31, 2017

Year Ended December 31,	Annual Required Contribution	Actual Contribution	Percent Contributed
2009	\$ 212,292	\$ ---	0%
2010	\$ 212,292	\$ ---	0%
2011	\$ 212,292	\$ ---	0%
2012	\$ 186,931	\$ ---	0%
2013	\$ 186,931	\$ ---	0%
2014	\$ 186,931	\$ ---	0%
2015	\$ 210,301	\$ ---	0%
2016	\$ 210,301	\$ ---	0%
2017	\$ 210,301	\$ ---	0%

See Independent Auditors' Report and Notes to Required Supplementary Information

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Schedule of Proportionate Share of the Net Pension Asset (Liability)**  
Year Ended December 31, 2017

Village's proportion of the net pension asset (liability)		Village's proportionate share of the net pension asset (liability)		Village's covered-employee payroll		Net pension asset (liability) as a percentage of employee payroll		Plan fiduciary net position as a percentage of total pension asset (liability)	
2017	0.0150%	\$	(123,287)	\$	1,891,378	6.52%	99.1%		
2016	0.0150%		(236,743)		1,838,598	12.88%	98.2%		
2015	0.0150%		356,934		1,737,333	20.54%	102.7%		

\*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

\*GASB Pronouncement 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

**Schedule of Contributions**  
Year Ended December 31, 2017

Contractually required contributions		Contributions in relation to the contractually required contributions		Village's covered-employee payroll		Contributions as a percentage of covered-employee payroll	
2017	\$	146,286	\$	---	\$	1,891,378	7.73%
2016		145,029		---		1,838,598	7.89%
2015		142,445		---		1,737,333	8.20%

\*The amounts presented for each fiscal year were determined as of the prior calendar-year end.

\*GASB Pronouncement 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule.

See Independent Auditors' Report and Notes to Required Supplementary Information

**VILLAGE OF SLINGER**  
Slinger, Wisconsin

**Notes to Required Supplemental Information**  
December 31, 2017

**1. Budgetary Information**

The Village adopts annual budgets for the General, Special Revenue, Debt Service and Capital Projects Funds on a basis consistent with accounting principles generally accepted in the United States of America. The budgets were adopted in compliance with all material State Statutes.

The Village had the following expenditures in excess of appropriations as presented in the "Budgetary Comparison Schedule":

General government	\$	3,346
Public works		10,836
Capital outlay		20,209

The excess expenditures were absorbed by available fund balances, and revenues in excess of budget.

**2. WRS Information**

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

**SUPPLEMENTARY FINANCIAL INFORMATION**

**VILLAGE OF SLINGER**

Slinger, Wisconsin

**Combining Balance Sheet  
Nonmajor Governmental Funds**

December 31, 2017

	Special Revenue Funds							Capital Projects Funds				Total Nonmajor Governmental Funds
	Park Fund	Parks, Recreation & Forestry Fund	Library Fund	Veteran Memorial Fund	Public Celebration Fund	Municipal Building Expansion Fund	Debt Service	RDA	TIF District #4	TIF District #5		
<b>Assets:</b>												
Cash and equivalents	\$ 28,176	\$ 104,009	\$ 278,110	\$ 1,149	\$ ---	\$ 30,970	\$ 14,031	\$ 496,811	\$ 70,251	\$ 9,069	\$ 1,032,576	
Investments	15,458	---	279,470	---	6,780	14,902	---	---	---	---	316,610	
Taxes receivable	---	65,596	68,537	---	---	---	---	---	40,843	7,105	182,081	
Accounts receivable	---	4,836	---	---	---	---	---	---	---	---	4,836	
Other receivables	---	---	---	---	---	---	---	22,115	---	---	22,115	
Interest receivable	75	---	1,235	---	---	73	---	---	---	---	1,383	
Advances to other funds	---	---	---	---	---	---	---	188,149	---	---	188,149	
<b>Total assets</b>	<b>43,709</b>	<b>174,441</b>	<b>627,352</b>	<b>1,149</b>	<b>6,780</b>	<b>45,945</b>	<b>14,031</b>	<b>707,075</b>	<b>111,094</b>	<b>16,174</b>	<b>1,747,750</b>	
<b>Liabilities:</b>												
Accounts payable	---	5,549	4,824	---	---	---	---	---	---	---	10,373	
Accrued liabilities	---	7,321	3,202	---	---	---	---	---	---	---	10,523	
Deposits	---	---	---	---	---	---	---	---	---	---	---	
Advances from other funds	---	---	---	---	---	---	---	---	227,765	98,536	326,301	
<b>Total liabilities</b>	<b>---</b>	<b>12,870</b>	<b>8,026</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>227,765</b>	<b>98,536</b>	<b>347,197</b>	
<b>Deferred Inflows of Resources:</b>												
Tax roll	---	149,306	156,000	---	---	---	---	---	92,965	16,171	414,442	
<b>Fund Balance:</b>												
Nonspendable	---	---	---	---	---	---	---	---	---	---	---	
Restricted	43,709	12,265	463,326	1,149	6,780	45,945	14,031	210,264	---	---	210,264	
Unassigned	---	---	---	---	---	---	---	496,811	---	---	1,084,016	
<b>Total fund balances (deficits)</b>	<b>\$ 43,709</b>	<b>\$ 12,265</b>	<b>\$ 463,326</b>	<b>\$ 1,149</b>	<b>\$ 6,780</b>	<b>\$ 45,945</b>	<b>\$ 14,031</b>	<b>\$ 707,075</b>	<b>\$ (209,636)</b>	<b>\$ (98,533)</b>	<b>\$ 986,111</b>	

See Independent Auditors' Report

**VILLAGE OF SLINGER**

Slinger, Wisconsin

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

For the Year Ended December 31, 2017

	Special Revenue Funds							Capital Project Funds				Total Nonmajor Governmental Funds	
	Park Fund	Parks, Recreation & Forestry Fund	Library Fund	Veteran Memorial Fund	Public Celebration Fund	Municipal Building Expansion Fund	Debt Service	RDA	TIF District #4	TIF District #5			
<b>Revenues:</b>													
Taxes	\$ ---	\$ 144,958	\$ 156,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 53,263	\$ ---	\$ ---	\$ ---	\$ 354,221
Intergovernmental	---	---	159,204	---	---	---	---	---	---	---	---	---	159,204
Fines, forfeits & penalties	---	---	7,380	---	---	---	---	---	---	---	---	---	7,380
Public charges for services	17,700	212,825	5,620	---	---	17,940	---	---	---	---	---	---	254,085
Miscellaneous	524	28,839	4,094	---	---	240	52	8,869	56	---	---	---	42,677
<b>Total revenues</b>	<b>18,224</b>	<b>386,622</b>	<b>332,298</b>	<b>---</b>	<b>---</b>	<b>18,180</b>	<b>52</b>	<b>8,869</b>	<b>53,319</b>	<b>3</b>	<b>3</b>	<b>---</b>	<b>817,567</b>
<b>Expenditures:</b>													
Current:													
General government	---	---	---	---	---	---	---	---	---	---	---	---	---
Culture, recreation and education	14,828	337,547	332,985	---	---	22	---	10	10,181	2,045	---	---	12,258
Conservation and development	---	---	---	---	---	---	---	---	---	---	---	---	685,360
Capital outlay	---	33,900	---	---	---	---	---	1,000	35,191	77,418	---	---	113,609
Debt service:	---	---	---	---	---	---	---	---	---	---	---	---	33,900
Interest and fiscal charges	---	---	---	---	---	---	---	---	4,916	---	---	---	4,916
<b>Total expenditures</b>	<b>14,828</b>	<b>371,447</b>	<b>332,985</b>	<b>---</b>	<b>---</b>	<b>22</b>	<b>---</b>	<b>1,010</b>	<b>50,288</b>	<b>79,463</b>	<b>---</b>	<b>---</b>	<b>850,043</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,396</b>	<b>15,175</b>	<b>(687)</b>	<b>---</b>	<b>---</b>	<b>18,158</b>	<b>52</b>	<b>7,859</b>	<b>3,031</b>	<b>(79,460)</b>	<b>---</b>	<b>---</b>	<b>(32,476)</b>
<b>Other financing uses:</b>													
Operating transfers out	(7,424)	---	---	---	---	(40,000)	---	---	---	---	---	---	(47,424)
<b>Net other financing uses</b>	<b>(7,424)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(40,000)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(47,424)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(4,028)</b>	<b>15,175</b>	<b>(687)</b>	<b>---</b>	<b>---</b>	<b>(21,842)</b>	<b>52</b>	<b>7,859</b>	<b>3,031</b>	<b>(79,460)</b>	<b>---</b>	<b>---</b>	<b>(79,900)</b>
<b>Fund Balance, January 1</b>	<b>47,737</b>	<b>(2,910)</b>	<b>464,013</b>	<b>1,149</b>	<b>6,780</b>	<b>67,787</b>	<b>13,979</b>	<b>699,216</b>	<b>(212,667)</b>	<b>(19,073)</b>	<b>---</b>	<b>---</b>	<b>1,066,011</b>
<b>Fund Balance (Deficits), December 31</b>	<b>\$ 43,709</b>	<b>\$ 12,265</b>	<b>\$ 463,326</b>	<b>\$ 1,149</b>	<b>\$ 6,780</b>	<b>\$ 45,945</b>	<b>\$ 14,031</b>	<b>\$ 707,075</b>	<b>\$ (209,636)</b>	<b>\$ (98,533)</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 986,111</b>

See Independent Auditors' Report

**FORM OF LEGAL OPINION**

(See following pages)

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

July 11, 2019

Re: Village of Slinger, Wisconsin ("Issuer")  
\$5,540,000 General Obligation Corporate Purpose Bonds, Series 2019A,  
dated July 11, 2019 ("Bonds")

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

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

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$195,000	___%
2021	220,000	___
2022	220,000	___
2023	235,000	___
2024	240,000	___
2025	240,000	___
2026	250,000	___
2027	255,000	___
2028	265,000	___
2029	265,000	___
2030	270,000	___
2031	275,000	___
2032	290,000	___
2033	300,000	___
2034	310,000	___
2035	320,000	___
2036	330,000	___
2037	345,000	___
2038	350,000	___
2039	365,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2020.

The Bonds maturing on March 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

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

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on 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.

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 Slinger, Washington County, Wisconsin (the "Issuer") in connection with the issuance of \$5,540,000 General Obligation Corporate Purpose Bonds, Series 2019A, dated July 11, 2019 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on May 20, 2019 and June 17, 2019 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](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 June 18, 2019 delivered in connection with the Securities, which is available from the MSRB.

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

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

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

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

"Issuer Contact" means the Village Administrator of the Issuer who can be contacted at 300 Slinger Road, Slinger, Wisconsin 53086, phone (262) 644-5265, fax (262) 644-6341.

"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, 2018, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

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

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

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

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

Section 5. Reporting of Listed Events.

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist



it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 11th day of July, 2019.

(SEAL)

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Russell E. Brandt  
President

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Tammy Tennes  
Village Clerk

## APPENDIX E

### NOTICE OF SALE

#### **\$5,540,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A VILLAGE OF SLINGER, WISCONSIN**

Bids for the purchase of \$5,540,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the Village of Slinger, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the Village, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on June 17, 2019, at which time they will be opened, read and tabulated. The bids will be presented to the Village Board 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 67.04, Wisconsin Statutes, for the public purposes of financing capital projects within the Village including constructing a DPW building, street improvements, parks and public grounds projects and sanitary sewer and storm sewer projects. The Bonds are general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

#### **DATES AND MATURITIES**

The Bonds will be dated July 11, 2019, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2020	\$195,000	2027	\$255,000	2034	\$310,000
2021	220,000	2028	265,000	2035	320,000
2022	220,000	2029	265,000	2036	330,000
2023	235,000	2030	270,000	2037	345,000
2024	240,000	2031	275,000	2038	350,000
2025	240,000	2032	290,000	2039	365,000
2026	250,000	2033	300,000		

#### **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 March 1 and September 1 of each year, commencing March 1, 2020, 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 2027 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, 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 March 1, 2029 shall be subject to optional redemption prior to maturity on March 1, 2028 or 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 July 11, 2019, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

## LEGAL MATTERS

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

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

## SUBMISSION OF BIDS

Bids must not be for less than \$5,470,750, nor more than \$5,817,000, plus accrued interest on the principal sum of \$5,540,000 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) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 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 \$110,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The Village reserves the right to award the 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 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 winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the 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 winning 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 winning bidder selects the 10% test, the winning 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 Village Board

Tammy Tennes, Village Clerk  
Village of Slinger, Wisconsin

# BID FORM

The Village Board  
Village of Slinger, Wisconsin

June 17, 2019

RE: \$5,540,000\* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds")  
DATED: July 11, 2019

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$5,470,750, nor more than \$5,817,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % 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	_____ % due 2039
_____ % due 2026	_____ % due 2033	

\* 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 2027 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%.

A good faith deposit ("Deposit") in the amount of \$110,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The Village reserves the right to award the 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. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said 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 July 11, 2019.

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 any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the reoffering price of the 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 July 11, 2019 of the above bid is \$\_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Village Board of the Village of Slinger, Wisconsin, on June 17, 2019.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_