

FINANCIAL REPORT
OF THE
VILLAGE OF WESTON,
WISCONSIN



FOR THE YEAR ENDED DECEMBER 31, 2017

Prepared By:
WESTON FINANCE DEPARTMENT

VILLAGE OF WESTON

ANNUAL FINANCIAL REPORT
December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Weston, Wisconsin

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer contributions, and schedule of employer proportionate share of net pension liability (asset), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of the Village of Weston, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Weston, Wisconsin's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
November 15, 2018

Village of Weston Management's Discussion and Analysis

As management of the Village of Weston, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Weston for the fiscal year ended December 31, 2017. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, and (4) identify any changes in the Village's financial plan (approved budget).

We encourage readers to consider the information presented here and the Village's financial statements, which begin on page 1 of this report. A comparative analysis has been presented for 2016 and 2017.

THE FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Weston exceeded its liabilities and deferred inflows of resources as of the fiscal year ended December 31, 2017 by \$80,427,724 (reported as "*net position*"). Of this amount, \$6,763,871 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Net position from Governmental Activities was \$19,993,515, while the Business-Type Activities net position was \$60,434,209.
- The Village's total net position increased by \$2,921,568 during fiscal year 2017, resulting from governmental and business-type activities. There was an increase of \$2,394,992 net position from Governmental Activities, and an increase of \$526,576 in net position from Business-Type Activities.
- At the close of the current fiscal year, the Village of Weston's governmental funds reported combined fund balances of \$4,080,821, which was an increase of \$281,873 in comparison with the prior year. The unassigned fund balance was \$215,620. At the end of the year, management had designated \$607,369 of the total fund balance as committed or assigned for specific purposes and \$3,257,832 as restricted or nonspendable due to allocations of prepaid expenditures, advances, or constrained by external factors, such as grants or regulations defining specific use.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of fund balance) for the general fund was \$1,199,629 or approximately 17.98% of the Village's 2017 total general fund expenditures of \$6,673,147. The unassigned fund balance in the Village's General Fund was \$1,042,129, which was a decrease of \$772,675 from the previous year. The decrease is because of an increase in in the nonspendable category for the advance to the debt service fund, prepaids, and amount due from SAFER.
- The Village entered into two new capital leases in 2017 to acquire public works equipment. The equipment is valued at \$508,868. Total lease payments are \$549,583, which includes \$40,715 representing interest. These lease payments will be paid back from 2017-2022.



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Village of Weston

Management's Discussion and Analysis

THE FINANCIAL HIGHLIGHTS (cont.)

- The Village's share of the assessed tax rate as of December 2017 (for the 2018 budget year) was set at \$6.34, which was a tax rate increase of \$0.35 from the previous year. The Village's combined assessed tax rate was set at \$21.29 in December 2017, which was a tax rate increase of \$0.23 from the previous year, due to the slight decrease in the assessed tax rates of the other taxing jurisdictions (D.C. Everest School District, Marathon County, and North Central Technical College). The combined tax rate had been \$21.06 in 2016, \$20.57 in 2015, and \$20.34 in 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The *statement of activities* presents information showing how the Village's net position changed during the fiscal year ended December 31, 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

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

Village of Weston Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (cont.)

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

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

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

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Weston, like other state and local governments, uses "fund accounting" to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

Village of Weston Management's Discussion and Analysis

Governmental Funds (cont.)

The Village of Weston maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service

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

The Village adopts an annual appropriated budget for its General, Special Revenue, Capital Projects, and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the Village's adopted and final revised budget and can be found on pages 65-69 of this report. Budgetary comparisons for the Special Revenue, Capital Projects, and Debt Service Funds can be found on pages 70-71, 74, and 81-89 of this report.

Following is a listing and description of the governmental funds reported by the Village of Weston in 2017:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. In 2017, the Village of Weston used special revenue funds to account for:

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

Village of Weston Management's Discussion and Analysis

Governmental Funds (cont.)

Debt Service Fund (major fund)

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds). In 2017, the Village of Weston used capital projects funds to account for:

Capital Improvements
TIF District #1

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

Proprietary Funds

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

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

Enterprise Funds

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

Village of Weston Management's Discussion and Analysis

Proprietary Funds (cont.)

Enterprise Funds (cont.)

accountability or other purposes. In 2017, the Village of Weston used enterprise funds to account for:

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

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governmental units on a cost-reimbursement basis. In 2017, the Village of Weston used internal service funds to account for:

- Fringe Benefits/Insurances

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

Fiduciary Funds

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

Agency Funds

Agency funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. In 2017, the Village of Weston used agency funds to account for:

- Tax Collections

The basic fiduciary fund financial statements can be found on page 14 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-62 of this report.

Village of Weston

Management's Discussion and Analysis

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Combining and individual fund statements and schedules can be found on pages 63-90 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

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

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Weston, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$80,427,724 (net position) as of December 31, 2017. This includes total assets of \$127,714,544, deferred outflows of resources of \$1,567,216, total liabilities of \$36,371,689, and deferred inflows of resources of \$12,482,347. It is useful to examine the specifics of the Village's total net position.

By far, the largest portion of the Village's net position (87.7%) reflects its investment in capital assets (e.g. land, buildings, building improvements, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress), less any related outstanding debt that was used to acquire those assets. This amount includes the Village's investment in roads, sewers, and bridges. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of any related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (3.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$6,763,871 (8.4%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Non-current liabilities, most of which were incurred to finance capital assets, account for approximately 94.1% of all Village liabilities. This is a 23.5% increase from 2016. The change is a result of how the Village is recording property taxes due to other taxing jurisdictions. In prior years, property taxes payable to other entities were recorded in non-current liabilities; in 2017, these liabilities are recorded in an agency fund. The following table provides an analysis of the Village's net position outlook:

Village of Weston Management's Discussion and Analysis

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS (cont.)

VILLAGE OF WESTON NET POSITION December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 19,393,504	\$ 33,124,899	\$ 13,018,757	\$ 13,756,086	\$ 32,412,261	\$ 46,880,985
Capital assets	42,757,555	45,248,947	52,544,728	52,188,247	95,302,283	97,437,194
Total assets	62,151,059	78,373,846	65,563,485	65,944,333	127,714,544	144,318,179
Total deferred outflow s of resources	1,345,754	1,103,926	221,462	268,601	1,567,216	1,372,527
Non-current liabilities	(30,129,181)	(34,620,569)	(4,113,663)	(5,168,040)	(34,242,844)	(39,788,609)
Current and other liabilities	(963,872)	(15,487,365)	(1,164,973)	(1,070,778)	(2,128,845)	(16,558,143)
Total liabilities	(31,093,053)	(50,107,934)	(5,278,636)	(6,238,818)	(36,371,689)	(56,346,752)
Total deferred inflow s of resources	(12,410,245)	(11,771,315)	(72,102)	(66,483)	(12,482,347)	(11,837,798)
Net position:						
Net investment in capital assets	21,190,939	19,922,844	49,337,993	47,976,920	70,528,932	60,170,743
Restricted	2,237,044	4,459,966	897,877	794,321	3,134,921	5,254,287
Unrestricted (deficit)	(3,434,468)	(6,784,287)	10,198,339	11,136,392	6,763,871	12,081,126
Total net position	\$ 19,993,515	\$ 17,598,523	\$ 60,434,209	\$ 59,907,633	\$ 80,427,724	\$ 77,506,156

CHANGES IN NET POSITION

The 2017 overall net position of the Village increased by \$2,921,568 from 2016.

Net position of the Village's governmental activities totaled \$19,993,515 as of December 31, 2017. Governmental activities for the year increased net position by \$2,394,992. The Village's unrestricted net position for governmental activities, which is a part of net position that can be used to finance day-to-day activities, was a deficit balance of \$3,434,468 due to the TIF District debt accumulated to date in the governmental activities. Restricted net position for governmental activities included \$1,821,611 for debt service and \$415,433 for pensions.

The net position of business-type activities totaled \$60,434,209, an increase of \$526,576. The Village can use the unrestricted net position of \$10,198,339 to finance the continuing operations of the water, sewer, and stormwater utilities.

Village of Weston Management's Discussion and Analysis

CHANGES IN NET POSITION (cont.)

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

VILLAGE OF WESTON CONDENSED STATEMENT OF ACTIVITIES For the Years Ended December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,619,174	\$ 1,537,470	\$ 4,802,572	\$ 4,745,986	\$ 6,421,746	\$ 6,283,456
Operating grants and contributions	166,679	246,655	1,683	2,204	168,362	248,859
Capital grants and contributions	1,287,592	1,469,088	565,357	88,068	1,852,949	1,557,156
General revenues:	-	-	-	-	-	-
Property taxes	10,493,763	10,099,879	-	-	10,493,763	10,099,879
Other taxes	552,190	536,729	-	-	552,190	536,729
Intergovernmental revenues not restricted to specific programs	1,255,028	1,247,644	-	-	1,255,028	1,247,644
Public gifts and/or grants not restricted to specific programs	-	333	-	-	-	333
Investment earnings	120,387	188,899	174,279	55,354	294,666	244,253
Other general revenues	76,908	81,499	7,121	-	84,029	81,499
Total Revenues	15,571,721	15,408,196	5,551,012	4,891,612	21,122,733	20,299,808
Expenses:						
General government	1,127,662	1,277,477	-	-	1,127,662	1,277,477
Public safety	3,648,131	3,867,923	-	-	3,648,131	3,867,923
Public works	6,105,480	6,399,788	-	-	6,105,480	6,399,788
Health and human services	13,423	13,968	-	-	13,423	13,968
Parks, recreation, and education	791,478	761,510	-	-	791,478	761,510
Community development	651,587	702,723	-	-	651,587	702,723
Interest and fiscal charges	1,325,074	1,616,256	-	-	1,325,074	1,616,256
Water utility	-	-	1,801,682	1,635,488	1,801,682	1,635,488
Sewer utility	-	-	2,150,473	2,113,671	2,150,473	2,113,671
Stormwater utility	-	-	586,175	603,336	586,175	603,336
Total Expenses	13,662,835	14,639,645	4,538,330	4,352,495	18,201,165	18,992,140
Increase (decrease) in net position before transfers	1,908,886	768,551	1,012,682	539,117	2,921,568	1,307,668
Transfers	486,106	468,983	(486,106)	(468,983)	-	-
Change in net position	2,394,992	1,237,534	526,576	70,134	2,921,568	1,307,668
Net position - January 1	17,598,523	16,360,989	59,907,633	59,837,499	77,506,156	76,198,488
Net position - December 31	\$ 19,993,515	\$ 17,598,523	\$ 60,434,209	\$ 59,907,633	\$ 80,427,724	\$ 77,506,156

Village of Weston

Management's Discussion and Analysis

GOVERNMENTAL ACTIVITIES

Governmental activities for 2017 increased the Village's net position by \$2,394,992. Total revenues, excluding transfers, had increased by \$163,525 for 2017. Property taxes in 2017 accounted for 67.4% and charges for services were 10.4% of total governmental activities revenue, excluding transfers. Total expenses decreased by \$976,810 for 2017. Expenses for public safety and public works were 71.4% of all governmental activities. Governmental expenses included \$3,838,145 in depreciation expense allocated as follows: \$3,569,140 to public works, \$42,272 to general government, \$70,085 to public safety, and \$156,648 to parks and recreation. Depreciation expense represents 28.1% of the total expenses for governmental activities.

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

Revenues:

- Property tax revenue had an overall increase in 2017 of \$393,884 (3.9%). The TIF district tax levies increased by \$176,540 (3.5%) in 2017 due to growth and increased valuation of properties in TIFs. There was no change in the debt service tax, aquatic center or the capital improvements fund levy for 2017. Therefore, the general-purpose tax levy of the Village increased by \$217,344 (6.4%) in 2017.
- Revenues from charges for services totaled \$1,619,174, which was an increase of \$81,704 (5.3%) from 2016. Public works charges for services increased by \$67,077 (8.6%) from 2016, mostly due to a \$10 increase in the refuse/recycling user fees.
- Operating grants and contributions totaled \$166,679, which was a decrease of \$79,976 (-32.4%) from 2016. \$61,440 (76.8%) of the decrease was due to a reduction of the building rent paid by EMPD in 2017.
- Revenues received from capital grants and contributions totaled \$1,287,592, which was a decrease of \$181,496 (-12.4%) from 2016. The decrease is partially due to a reduction in state general transportation aids of \$73,707 (-10.0%) from 2016 and a reduction in special assessment revenue of \$82,540 (-38.3%) from 2016. The rest of the difference is attributed one-time grants received in 2016 that are offset by an increase in 2017 capital contributions.
- Investment earnings totaled \$120,387 in 2017, which was a decrease of \$68,512 (-36.3%) from 2016. The decrease is because the Village had less money to invest in 2017 and also due to market adjustments.

Village of Weston

Management's Discussion and Analysis

GOVERNMENTAL ACTIVITIES (cont.)

Expenses:

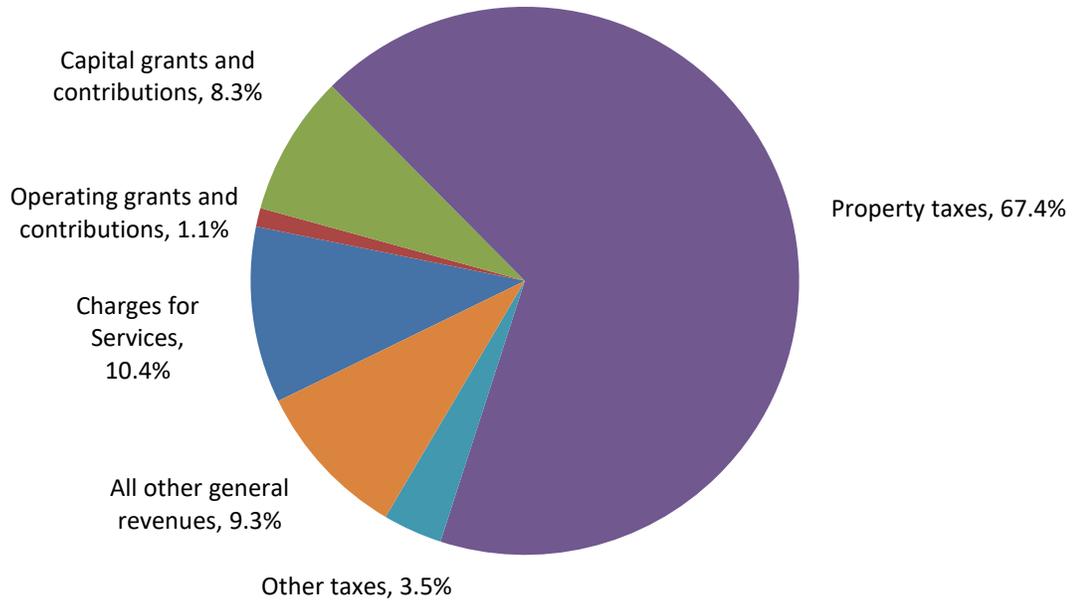
- General government expenses totaled \$1,127,662 in 2017, a decrease of \$149,815 (-11.7%) from 2016. The pension expense for general government decreased by \$55,886 (-72.1%) from 2016 due to a reduction in the Village's share of the pension liability. In addition, the amount of uncapitalized improvements expensed in general government decreased by \$63,540 (-86.6%) from 2016.
- Public safety expenses totaled \$3,648,131 in 2017, which was a decrease of \$219,792 (-5.7%). The decrease is largely due to a reduction in the Village's portion of SAFER's capital budget of \$459,070 (-75.0%) from 2016.
- Public works expenses totaled \$6,105,480 in 2017, which was a decrease of \$294,308 (-4.6%). The pension expense allocated to the public works department decreased by \$115,438 (-80.2%) from 2016 due to a decrease in the Village's share of the pension liability. The public works depreciation expense decreased by \$153,413 (-4.1%) from 2016 due to some equipment being over-depreciated in prior years as well as some equipment exceeding its useful life, meaning it no longer incurs depreciation expense.
- Community development expenses decreased by \$51,136 (-7.3%) in 2017. The decrease is due to less uncapitalized improvement expenses and less pension expense.
- Interest and fiscal charges expenses, which totaled \$1,325,074 for 2017, decreased by \$291,182 (-18.0%). This decrease was because the Village continues to pay down its old debt.

Village of Weston Management's Discussion and Analysis

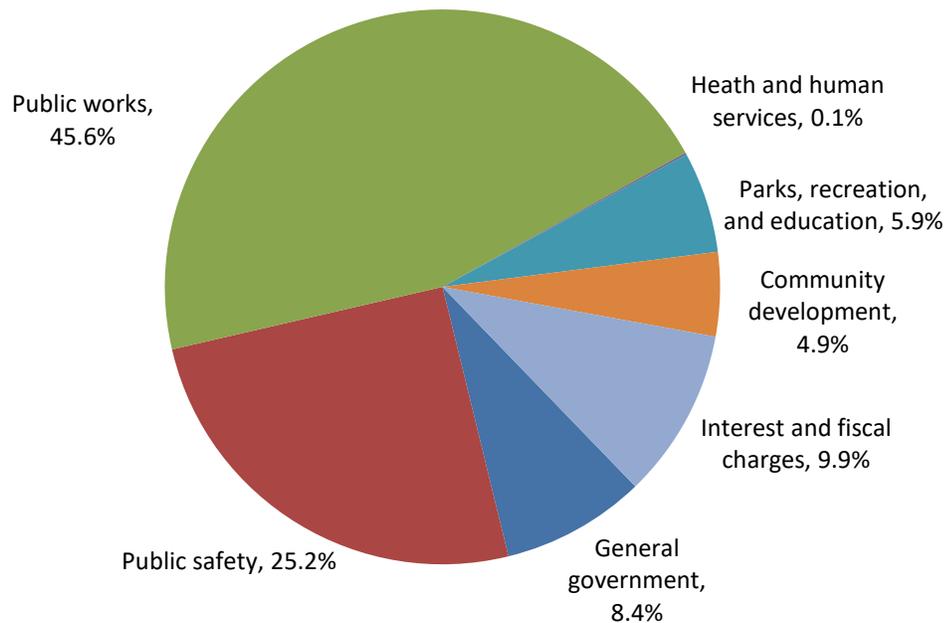
GOVERNMENTAL ACTIVITIES (cont.)

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

REVENUES - Governmental Activities



EXPENSES - Governmental Activities



Village of Weston

Management's Discussion and Analysis

BUSINESS-TYPE ACTIVITIES

Business-type activities, which include the operations of the water, sewer, and stormwater utilities, provided an increase to the Village's net position of \$526,576. Charges for services were over expenses by \$264,242. Other 2017 funding sources for the utility funds were Capital grants and contributions of \$565,357, and operating grants and contributions of \$1,683. Investment earnings, other general revenues increased total revenues of \$197,295.

Charges for services increased by \$56,586 (1.2%) in 2017. Capital grants and contributions increased by \$477,289 (542.0%) because of developer contributions. Some of the significant changes in revenues were as follows:

- Water Utility operating revenues totaled \$2,142,021 for 2017, which was an increase of \$17,843 (0.8%) from 2016. Interest earnings on investments increased by \$43,741 (180.3%) from 2016, which reflected the investments of the water utility having a smaller decrease in fair value than the previous year and an increase in overall interest rates. The Water Utility is working on a water rate case with the Public Service Commission in 2018.
- Sewer Utility operating revenues totaled \$2,020,724 for 2017, which was an increase of \$31,902 (1.6%) from 2016. Interest earnings increased by \$73,980 (266.5%) from 2016, which reflected the investments of the sewer utility having a smaller decrease in fair value than the previous year and an overall increase in interest rates. The Utility is looking at implementing a rate increase in 2018.
- Stormwater Utility operating revenues totaled \$639,828 for 2017, which was a slight increase of \$6,842 (1.1%) from 2016. Interest earnings on investments increased by \$1,204 (36.0%) due to the rise in interest rates. In 2017, the Stormwater Utility paid back \$14,322 to the Sewer Utility. The total amount owed to the Sewer Utility is \$365,264.

Operating expenses, excluding depreciation, totaled \$2,551,004, which was an increase of \$129,601 (5.4%) from 2016. Depreciation expense increased by \$10,065 (0.6%). Some of the significant changes in expenses were as follows:

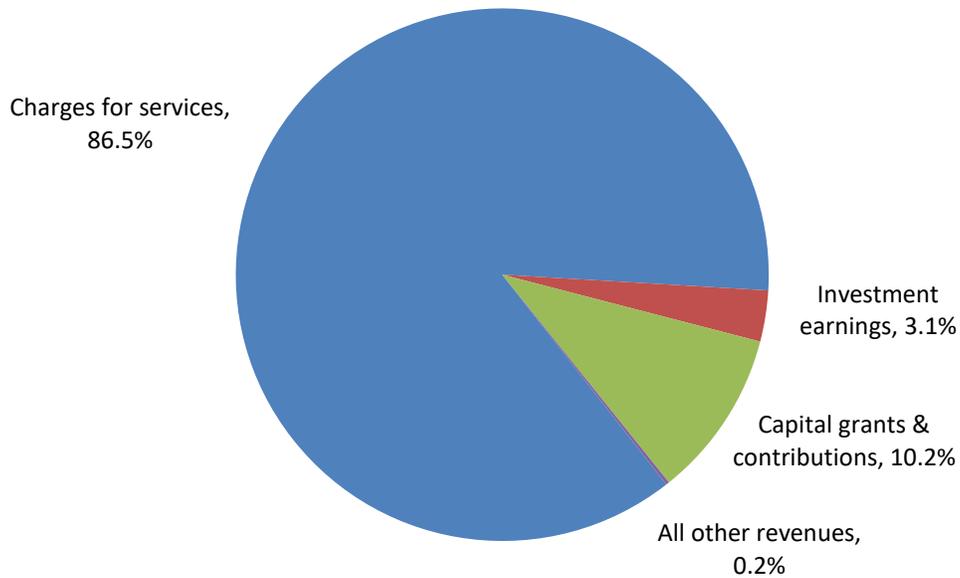
- Water Utility operations expense, excluding depreciation, increased by \$68,214 (6.9%). The increase is mainly due to contracting with an outside party to assist in the installation of radio read water meters. The contracting services will continue in 2018 until the transition to the new meters is complete for all customers.
- Sewer Utility operating expenses, excluding depreciation, increased by \$33,509 (2.5%). In 2017, the Sewer Utility underwent a sewer condition assessment that resulted in sewage service televising expenses increasing by \$103,155 from 2016. The large change was offset by lower expenses in other areas.
- Stormwater Utility operating expenses, excluding depreciation, increased by \$27,878 (24.5%). The increase is due to drainage repair services in 2017.

Village of Weston Management's Discussion and Analysis

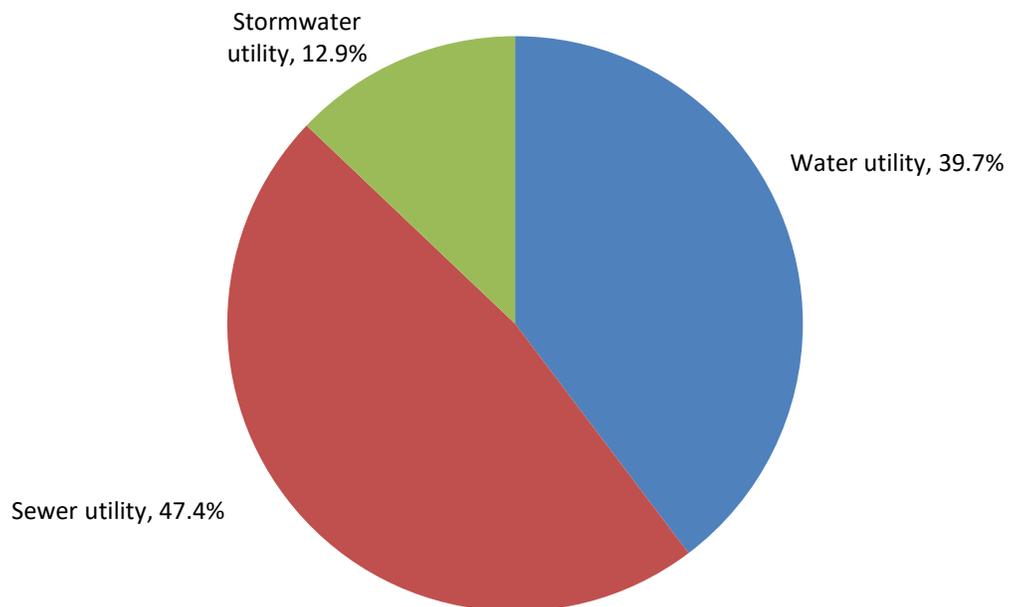
BUSINESS-TYPE ACTIVITIES (cont.)

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

REVENUES - Business-type Activities



EXPENSES - Business-type Activities



Village of Weston Management's Discussion and Analysis

INDIVIDUAL FUND FINANCIAL ANALYSIS

Governmental Funds

The Village of Weston ended 2017 with a fund balance of \$4,080,821 in its governmental funds, compared to \$3,798,948 as of December 31, 2016. This is an increase of \$281,873. Of the 2017 fund balance (deficit), \$1,436,221 was nonspendable, \$1,821,611 was restricted, \$5,617 was committed, \$601,752 was assigned, and \$215,620 was unassigned. The nonspendable balance includes \$644,620 due from SAFER district. The full restricted balance of \$1,821,611 is for debt service. The committed balance of \$5,617 is for trust purposes.

General Fund

The General Fund is the primary operating fund of the Village and supports the majority of the day-to-day services provided by the Village. The Village's General Fund realized a fund balance increase of \$13,962 from 2017 operations. Fund balance at year-end totaled \$2,616,804, of which \$1,417,175 is nonspendable, \$157,500 assigned, and \$1,042,129 is unassigned. Municipal credit analyst, Moody's Investors Service, considers the fund balance in the General Fund an important measure of a municipality's financial condition.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The net decrease in fund balance during the year was \$316,985, which resulted in a total fund balance deficit at year-end of (\$379,569).

Special Revenue Fund – TIF District #1

This fund accounts for the receipt of district "incremental" property taxes and other revenues and the corresponding program expenditures for TIF District #1. There was a net increase in fund balance during the year of \$3,281,213, which resulted in a deficit fund balance at year-end of (\$419,165). The increase in fund balance was a result of debt refinancing, restructuring debt payments to more closely match the tax increment coming in.

Village of Weston Management's Discussion and Analysis

INDIVIDUAL FUND FINANCIAL ANALYSIS (cont.)

Governmental Funds (cont.)

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

This fund accounts for the receipt of CDA Lease Revenue Bond proceeds issued by the CDA on the behalf of the Village of Weston. Corresponding program expenditures and bond issuance costs are also recorded in this fund. There was a net decrease in fund balance this year of \$2,638,355; the fund balance at year-end was \$1,570,358. The fund balance decrease represents the amount funds that were released from the debt service reserve account when the new debt was issued.

Proprietary Funds

Water Utility Fund

The water utility's operating income, before transfers and other nonoperating revenues and expenses, was \$483,967 in 2017. The overall change to net position was an increase of \$183,484. The water utility's 2017 rate of return was 3.58%. The water utility received \$234,795 in capital contributions in 2017.

Sewer Utility Fund

The sewer utility realized an operating loss, before transfers and other nonoperating revenues and expenses, of \$43,012. Overall net position increased by \$142,635. The sewer utility's 2017 rate of return was -0.54%. The increase is partially due to \$186,661 in capital contributions received in 2017.

Stormwater Utility Fund

The utility raised its rates in 2016 to \$12.50/ERU quarterly, an increase of 50 cents (.50). The number of units charged per parcel is dependent upon the amount of impervious surface located on each parcel. In 2017, the utility had an operating income, before transfers and other nonoperating revenues and expenses, of \$164,711. It had an increase in net position of \$200,457, the rate of return was 1.40%. The stormwater utility received \$143,901 in capital contributions in 2017.

Village of Weston Management's Discussion and Analysis

BUDGETARY ANALYSIS

The Village's 2017 General Fund adopted expenditure budget totaled \$6,896,960. The Village's final General Fund revenue budget totaled \$6,803,204. The 2017 revenue budget anticipated the use of \$93,756 in assigned fund balance.

As previously stated, the Village ended 2017 with a general fund balance increase of \$13,962 from 2016. In other words, the Village increased its reserves by \$13,962.

Actual General Fund revenue was slightly under budget by \$3,982. The building and electrical permit category experienced a positive variance of \$41,780, while the investment earnings category experienced a negative variance of \$17,496. Other revenue categories experienced small positive or negative variances.

General Fund expenditures finished 2017 with a positive budget variance of \$111,700, or 1.6% under budget. Positive variances occurred in general government (\$29,290), public safety (\$25,850), public works (\$22,957), parks and recreation (\$24,664), and community development (\$23,356). Other Village department expenditure categories experienced small positive and negative budget variances.

General fund statements highlighting budget versus actual variances can be found on pages 65-69 of this report.

Village of Weston Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the Village of Weston had an investment in capital assets of \$95,302,283, net of accumulated depreciation, for all governmental and business-type activities of the Village. This amounts to a \$2,134,911 decrease (-2.2%) from the end of 2016.

Major capital additions that took place in the Village's governmental activities included the addition of two pieces of public works equipment: a trackless tractor (\$157,951) and a snow plow/leaf truck (\$350,917). Additionally, a piece of property was donated to the Village for a new canoe/kayak launch (\$82,505), a boulevard restoration and trees were contributed by a developer (\$55,160), and street/curb/gutter/sidewalk were contributed by a developer (\$429,842).

There were several additions in the Village's business-type activities. The major capital additions (prior to depreciation) for the Water Utility included new meters (\$947,788), water treatment equipment (\$46,316), copper services (\$62,387), transmission main (\$121,170), SCADA system updates (\$49,770), and valve replacements (\$95,282). The Sewer Utility had \$859,065 of additions to its collection system (prior to depreciation). The additions to the Sewer Utility include: replacement of Mesker/Colleen and Ross Ave lift stations (\$584,456), sewer main (\$74,447), sewer manholes/laterals (\$89,740), and a new pump for the Mesker/Jelinek lift station (\$104,631). The Stormwater Utility had \$219,105 of additions to its collection system for culverts and mains (prior to depreciation). The following table provides a summary of the Village's change in capital assets.

VILLAGE OF WESTON CAPITAL ASSETS December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land/right-of-ways	\$ 6,814,693	\$ 6,798,523	\$ 623,352	\$ 623,352	\$ 7,438,045	\$ 7,421,875
Wells and springs	-	-	597,507	597,507	597,507	597,507
Buildings	6,910,471	6,910,471	3,164,311	2,579,855	10,074,782	9,490,326
Improvements	6,254,928	6,199,768	72,573,255	71,110,279	78,828,183	77,310,047
Equipment	5,196,453	4,748,030	3,159,722	3,004,925	8,356,175	7,752,955
Infrastructure	81,683,908	81,229,242	-	-	81,683,908	81,229,242
Construction in progress	307,354	65,647	103,692	490,941	411,046	556,588
Total capital assets	107,167,807	105,951,681	80,221,839	78,406,859	187,389,646	184,358,540
Less accumulated depreciation	(64,410,252)	(60,702,734)	(27,677,111)	(26,218,612)	(92,087,363)	(86,921,346)
Capital assets, net of depreciation	<u>\$ 42,757,555</u>	<u>\$45,248,947</u>	<u>\$52,544,728</u>	<u>\$52,188,247</u>	<u>\$ 95,302,283</u>	<u>\$ 97,437,194</u>

More detail regarding the Village's capital assets can be found in Note IV (D) on pages 40-42 of this report.

Village of Weston Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

Outstanding Debt

The Village's outstanding general obligation debt (backed by the full faith and credit of Village taxpayers) as of December 31, 2017 totaled \$7,371,927. In addition, the Village had revenue debt outstanding (backed by revenues generated from the Weston Water, Sewer, and Stormwater Utilities) of \$4,840,000. The Weston Community Development Authority had revenue debt outstanding (backed by revenues generated from future property tax increments in TIF Districts #1 and #2) of \$20,530,000. Capital lease obligations outstanding were \$1,055,939. Therefore, the total outstanding debt of the Village at December 31, 2017 totaled \$33,797,866.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. Based upon the Village's 2017 equalized value of \$1,125,232,700, the Village's statutory debt limit totaled \$56,261,635. The Village was at 13.1% of its legal debt limit as of December 31, 2017.

In 2017, the Village entered into two new capital lease agreements to acquire public works equipment. The total minimum capital lease payments for the new leases are \$549,583, which includes \$40,715 of interest costs.

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

VILLAGE OF WESTON OUTSTANDING DEBT December 31, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds & notes	\$ 7,229,241	\$ 9,564,541	\$ 142,686	\$ 313,556	\$ 7,371,927	\$ 9,878,097
CDA lease revenue bonds	20,530,000	22,670,000	-	-	20,530,000	22,670,000
Water utility revenue bonds	-	-	1,240,000	1,430,000	1,240,000	1,430,000
Sewer utility revenue bonds	-	-	1,530,000	2,005,000	1,530,000	2,005,000
Stormwater utility revenue bonds	-	-	2,070,000	2,235,000	2,070,000	2,235,000
Capital leases	1,055,939	958,464	-	-	1,055,939	958,464
Total	<u>\$28,815,180</u>	<u>\$33,193,005</u>	<u>\$ 4,982,686</u>	<u>\$ 5,983,556</u>	<u>\$33,797,866</u>	<u>\$39,176,561</u>

More detail regarding the Village's outstanding debt can be found in Note IV (F), Note IV (G), and Note IV (H) on pages 45-50 of this report.

Village of Weston Management's Discussion and Analysis

ECONOMIC FACTORS, 2017 TAX RATES, AND THE 2018 BUDGET

The Village continues to struggle with levy limits and the ongoing decline in state aid to municipalities. The Village's 2018 budget increased its total operating tax levy (excluding TIF Districts) by 4.27%. The Village's total assessed value increased from \$1,117,149,400 in 2016 to \$1,135,459,700 in 2017, which was an increase of \$18,310,300. No revaluation of Village property occurred in 2017. This translated into a 2017 assessed tax rate of \$6.35 per \$1,000 of assessed valuation (a 5.84% increase from the 2016 assessed tax rate of \$5.99), with a corresponding 2017 equalized tax rate of \$6.40.

The Village adopts operating budgets for its governmental funds (General, Special Revenue, Debt Service, Capital Projects), and enterprise funds (Water, Sewer, and Stormwater Utilities). The 2018 fiscal year combined operating budget includes \$26,197,312 in projected revenues and \$23,969,034 in projected expenditures and transfers. A couple individual funds have budgeted deficits. This is because of the timing of the increment/ other revenue vs. the debt payments that are due. Fund balances from several governmental funds will be applied towards the budgeted deficits rather than increasing property tax rates or user fees any further to balance the 2018 operating budget.

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

REQUESTS FOR FINANCIAL INFORMATION

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF WESTON

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and investments	\$ 4,911,920	\$ 9,399,126	\$ 14,311,046
Receivables (net of allowance for uncollectibles):			
Taxes	8,084,793	17,580	8,102,373
Accounts	-	919,445	919,445
Intergovernmental receivables	853,235	3,607	856,842
Municipal court	315,888	-	315,888
Special assessments	240,262	426,082	666,344
Accrued interest	12,876	66,890	79,766
Other	201,935	4,759	206,694
Total Receivables	<u>9,708,989</u>	<u>1,438,363</u>	<u>11,147,352</u>
Internal balances	469,918	(469,918)	-
Inventories	-	84,502	84,502
Prepaid items	461,043	1,477	462,520
Restricted assets:			
Cash and investments	1,863,658	2,565,207	4,428,865
Investment in joint venture - EMPD	1,107,936	-	1,107,936
Investment in joint venture - SAFER	870,040	-	870,040
Capital assets:			
Intangible plant - organizational costs	-	319	319
Land and right-of-ways	6,814,693	623,033	7,437,726
Construction in progress	307,354	103,692	411,046
Depreciable capital assets, net	<u>35,635,508</u>	<u>51,817,684</u>	<u>87,453,192</u>
TOTAL ASSETS	<u>62,151,059</u>	<u>65,563,485</u>	<u>127,714,544</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	949,477	159,207	1,108,684
Deferred charge on refunding	396,277	62,255	458,532
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,345,754</u>	<u>221,462</u>	<u>1,567,216</u>
LIABILITIES			
Accounts payable	211,744	174,522	386,266
Retainage payable	-	12,178	12,178
Other accrued liabilities	486,801	24,285	511,086
Special deposits	-	8,019	8,019
Accrued interest payable	193,081	3,365	196,446
Intergovernmental payables	14,762	-	14,762
Unearned revenue	57,484	13,803	71,287
Liabilities payable from restricted assets:			
Current maturities of revenue debt	-	869,339	869,339
Accrued interest	-	59,462	59,462
Non-current liabilities:			
Net pension liability	104,036	17,514	121,550
Due within one year	3,808,048	102,741	3,910,789
Due in more than one year	<u>26,217,097</u>	<u>3,993,408</u>	<u>30,210,505</u>
TOTAL LIABILITIES	<u>31,093,053</u>	<u>5,278,636</u>	<u>36,371,689</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year's property taxes	11,980,237	-	11,980,237
Pension related deferred inflows	430,008	72,102	502,110
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,410,245</u>	<u>72,102</u>	<u>12,482,347</u>
NET POSITION			
Net investment in capital assets	21,190,939	49,337,993	70,528,932
Restricted for:			
Debt service	1,821,611	828,286	2,649,897
Pensions	415,433	69,591	485,024
Unrestricted (deficit)	<u>(3,434,468)</u>	<u>10,198,339</u>	<u>6,763,871</u>
TOTAL NET POSITION	<u>\$ 19,993,515</u>	<u>\$ 60,434,209</u>	<u>\$ 80,427,724</u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,127,662	\$ 271,906	\$ -	\$ -
Public safety	3,648,131	330,755	2,000	-
Public works	6,105,480	846,029	78,575	1,287,592
Health and human services	13,423	-	-	-
Parks, recreation, and education	791,478	151,496	789	-
Community development	651,587	18,988	350	-
Interest and fiscal charges	1,325,074	-	84,965	-
Total Governmental Activities	13,662,835	1,619,174	166,679	1,287,592
Business-Type Activities				
Water utility	1,801,682	2,142,020	-	234,795
Sewer utility	2,150,473	2,020,724	-	186,661
Stormwater utility	586,175	639,828	1,683	143,901
Total Business-Type Activities	4,538,330	4,802,572	1,683	565,357
Total Primary Government	\$ 18,201,165	\$ 6,421,746	\$ 168,362	\$ 1,852,949

General Revenues

Taxes

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

Intergovernmental revenues not restricted to specific programs

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - January 1

NET POSITION - December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (855,756)	\$ -	\$ (855,756)
(3,315,376)	-	(3,315,376)
(3,893,284)	-	(3,893,284)
(13,423)	-	(13,423)
(639,193)	-	(639,193)
(632,249)	-	(632,249)
(1,240,109)	-	(1,240,109)
<u>(10,589,390)</u>	<u>-</u>	<u>(10,589,390)</u>
-	575,133	575,133
-	56,912	56,912
-	199,237	199,237
<u>-</u>	<u>831,282</u>	<u>831,282</u>
<u>(10,589,390)</u>	<u>831,282</u>	<u>(9,758,108)</u>
3,623,858	-	3,623,858
1,550,000	-	1,550,000
5,186,579	-	5,186,579
40,000	-	40,000
93,326	-	93,326
409,072	-	409,072
143,118	-	143,118
1,255,028	-	1,255,028
120,387	174,279	294,666
37,940	7,121	45,061
38,968	-	38,968
486,106	(486,106)	-
<u>12,984,382</u>	<u>(304,706)</u>	<u>12,679,676</u>
<u>2,394,992</u>	<u>526,576</u>	<u>2,921,568</u>
17,598,523	59,907,633	77,506,156
<u>\$ 19,993,515</u>	<u>\$ 60,434,209</u>	<u>\$ 80,427,724</u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2017

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

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

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

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

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

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

 Net pension liability

 Deferred inflows of resources

 Deferred outflows of resources

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

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

NET POSITION OF GOVERNMENTAL ACTIVITIES

<u>Revenue</u>		
<u>Comm. Dev. Authority - TIF District #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 424,057	\$ 4,852,233
-	1,284,830	8,084,793
-	-	853,235
-	-	315,888
-	-	240,262
3,227	2,048	12,876
-	88,485	201,274
<u>3,227</u>	<u>1,375,363</u>	<u>9,708,328</u>
-	-	972,992
-	24,046	407,468
		389,133
<u>1,610,752</u>	<u>252,906</u>	<u>1,863,658</u>
<u>\$ 1,613,979</u>	<u>\$ 2,076,372</u>	<u>\$ 18,193,812</u>
\$ 100	\$ 60,602	\$ 207,620
732	2,028	486,801
-	20	14,762
42,789	36,627	503,074
-	363	463
-	-	389,133
<u>43,621</u>	<u>99,640</u>	<u>1,601,853</u>
-	1,284,339	11,980,237
-	-	290,639
-	-	240,262
<u>-</u>	<u>1,284,339</u>	<u>12,511,138</u>
-	19,046	1,436,221
1,570,358	251,253	1,821,611
-	5,617	5,617
-	444,252	601,752
-	(27,775)	215,620
<u>1,570,358</u>	<u>692,393</u>	<u>4,080,821</u>
<u>\$ 1,613,979</u>	<u>\$ 2,076,372</u>	
		42,757,555
		1,977,976
		530,901
		52,778
	(104,036)	
	(430,008)	
	<u>949,477</u>	415,433
		(30,218,226)
		<u>396,277</u>
		<u>\$ 19,993,515</u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

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

For the Year Ended December 31, 2017

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

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

See accompanying notes to financial statements.

VILLAGE OF WESTON

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

Net change in fund balances - total governmental funds	\$ 281,873
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,420,970
Depreciation is reported in the government-wide statements	(3,838,145)
Net effect of change in investment in joint venture - EMPD is to increase net position.	9,490
Net effect of change in investment in joint venture - SAFER is to decrease net position.	(265,475)
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.	(74,217)
Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide financial statements.	(1,342)
Change in the net pension asset/liability and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share, and the difference between the expected and actual experience of the pension plan.	(88,885)
Debt and leases issued provide current financial resources to governmental funds, but issuing these obligations increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which payments (\$24,141,694) exceeded issues (\$508,868 for capital leases, \$19,255,000 for general obligation debt).	4,377,826
Current year amortization expenditure of premiums, and discounts, loss of refunding is recorded in the government-wide financial statements, but is not recorded in the fund financial statements.	271,199
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	1,341
Advances from developers on TIF District letters of credit	141,920
Accrued interest on debt	156,234
Internal service funds are used by management to charge the cost of self-insurance to individual funds. The decrease in net position of the internal service funds is reported with governmental activities.	<u>2,203</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,394,992</u>

See accompanying notes to financial statements.

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VILLAGE OF WESTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2017

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

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

See accompanying notes to financial statements.

VILLAGE OF WESTON

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

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

See accompanying notes to financial statements.

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VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF NET POSITION FIDUCIARY FUND December 31, 2017

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

Included in the reporting entity:

Blended Component Unit - Weston Community Development Authority

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from any legally separate component unit for which the primary government is financially accountable.

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

Fund Financial Statements

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

Fund Financial Statements (cont.)

The Village reports the following major governmental funds:

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

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

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

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

The Village reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.

Sewer Utility – accounts for operations of the sewer system.

Stormwater Utility – accounts for operations of the stormwater system.

The Village reports the following non-major governmental funds:

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

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

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

- TIF District #1
- Capital Improvement Fund

In addition, the Village reports the following fund types:

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

Fund Financial Statements (cont.)

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

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and a deferred inflow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village’s water, sewer, and stormwater utility funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Deferred inflows arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

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

Fund Financial Statements (cont.)

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

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

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

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and stormwater funds are charges to customers for sales and services.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

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

1. Deposits and Investments

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

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

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

Additional restrictions may arise from local charters, ordinances, resolutions, and grant regulations. The Village believes it is in compliance with all restrictions.

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

1. Deposits and Investments (cont.)

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. At December 31, 2017, the fair value of the Village’s share of the LGIP’s assets was substantially equal to the amount as reported in these statements.

See Note IV.(A.) for further information.

2. Receivables

Property Taxes

Property taxes are levied in November on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables, deferred inflows, and intergovernmental payables on the accompanying fiduciary fund balance sheet.

Property tax calendar – 2017 tax roll:

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

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

2. Receivables (cont.)

Uncollectible Accounts

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

Interfund Transactions

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

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance classification as nonspendable, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

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

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

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

Fund Financial Statements

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

6. Deferred Outflows / Inflows of Resources

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

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

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

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

7. Wisconsin Retirement System Pension Plan Benefits

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

8. Basis for Existing Rates – Proprietary Funds

Water Utility

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

Sewer Utility

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

Stormwater Utility

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

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

9. Compensated Absences

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

All PTO is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for PTO will be made at rates in effect when the benefits are used. Accumulated PTO liabilities at December 31, 2017 are determined on the basis of current salary rates and include salary related payments.

10. Long-Term Obligations/Conduit Debt

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

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for premiums/discounts is shown as an increase or decrease in the liability section of the Statement of Net Position. The balance at year-end for gains/losses is shown as a deferred outflow/inflow as applicable.

The Village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

11. Claims and Judgments

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

12. Equity Classifications

Government-Wide Statements

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

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

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

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$21,190,939	\$49,337,993	\$(6,839,483)	\$63,689,449
Unrestricted	(3,434,468)	10,198,339	6,839,483	13,603,354

Fund Financial Statements

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

12. Equity Classifications (cont.)

Fund Financial Statements (cont.)

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds”. The detail of this \$30,218,226 difference in liabilities is as follows:

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.(C.).

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

The budgeted amounts presented include any amendments made.

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

- a. The Village Administrator submits to the Village Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at the Weston Municipal Center to obtain taxpayer comments.
- c. Prior to December 31, the budget is legally adopted through passage of a village resolution.
- d. The budget as adopted includes total expenditures at the cost center level. A cost center can be a fund, major program, department, or other activity for which control of expenditures is considered desirable. Cost centers are defined as follows for the governmental fund types with annual budgets: General Fund at the department level, Special Revenue and Capital Projects Funds at the major program level, and Debt Service Fund at total fund level. Expenditures cannot legally exceed appropriations at this level without two-thirds Village Board approval to amend the budget. Supplemental appropriations during the year included an increase of \$15,850,863 in the special revenue fund, \$17,008,958 in the debt service fund, and a net increase of \$251,835 in the capital improvements fund. The Village Board properly authorized all supplemental appropriations for budget year 2017. Transfers of appropriations between cost center levels also require the approval of the Village Board.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Enterprise Funds, and the Internal Service Fund.

A comparison of Actual and Budget is included in the accompanying financial statements for all governmental fund types with a legally adopted annual budget. The budget presentations are at the cost center level (legal level of control for the annual budget).

- f. All budgets adopted conform to generally accepted accounting principles (GAAP), including the Enterprise Funds. Budget amounts are as originally adopted or as amended via the procedures explained above. Individual amendments were legally authorized as described.
- g. Budgets for all non-committed governmental funds lapse at year-end.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

C. DEFICIT BALANCES

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

D. LIMITATIONS ON THE VILLAGE’S TAX LEVY

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

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

Bond Covenant Disclosures

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

Insurance

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

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

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

Debt Coverage

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

Number of Customers

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

	<u>Water Utility</u>		<u>Sewer Utility</u>		<u>Stormwater Utility</u>	
	<u>Customers</u>	<u>Sales (000 gals)</u>	<u>Customers</u>	<u>Sales (000 gals)</u>	<u>Customers</u>	<u>ERUs</u>
Residential	4,669	207,134	4,688	199,067	4,644	4,377
Commercial	405	90,303	556	130,061	482	6,169
Industrial	38	293,520	35	57,667	26	1,344
Public Authority	30	38,627	23	8,612	25	770
Other	<u>169</u>	<u>61,863</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>158</u>
Totals	<u>5,311</u>	<u>691,447</u>	<u>5,302</u>	<u>395,407</u>	<u>5,190</u>	<u>12,818</u>

Utility Budget

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

	<u>Revenues/Sources</u>		<u>Expenses/Uses</u>	
	<u>Actual *</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Water Utility	\$2,217,139	\$2,247,420	\$2,268,450	\$2,375,723
Sewer Utility	2,122,459	2,081,104	2,166,485	2,259,608
Stormwater Utility	646,058	646,034	589,502	582,380

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 9,995,351	\$ 8,935,081	Custodial credit
Certificates of deposits	2,690,242	2,690,242	Custodial credit
Petty cash	3,700	-	N/A
Total cash	<u>\$12,689,293</u>	<u>\$11,625,323</u>	
Wisconsin Local Government Investment Pool (LGIP)	\$ 2,043		Credit, Interest rate
Municipal securities	534,845		Credit, Custodial credit, Interest rate, Concentration of credit
Negotiable certificates of deposits	3,445,321		Credit, Custodial credit, Interest rate, Concentration of credit
U.S. Government treasury securities	150,117		Custodial credit, Interest rate
U.S. Government agency securities	6,580,022		Credit, Custodial credit, Interest rate, Concentration of credit
Total investments	<u>10,712,348</u>		
Total cash and investments	<u>\$ 23,401,641</u>		
Reconciliation to financial statements:			
Per statement of net position			
Unrestricted cash and investments	\$14,311,046		
Restricted cash and investments	4,428,865		
Per statement of fiduciary net position			
Agency Funds	4,661,730		
Total cash and investments	<u>\$ 23,401,641</u>		

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

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

Custodial Credit Risk - Deposits: For deposits, custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village does have a deposit policy for custodial credit risk. This policy details eligibility for authorization to include banks or savings and loans that are a member of the FDIC or credit unions that are insured by the NCUA, and qualify as a depository of public funds in the State of Wisconsin. Broker/dealers who desire to become qualified for investment transactions must have a minimum capital requirement of \$10,000,000 and be in operation for at least the last five years. The broker/dealers must also qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule) to be a primary or regional dealer and provide proof of National Association of Securities Dealers ("NASD") certification.

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

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

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

<u>Investment Type</u>
Wisconsin Local Government Investment Pool (LGIP)

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

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

B. RECEIVABLES

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

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

C. RESTRICTED ASSETS

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

Long-Term Debt Accounts

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

The following calculation supports the amount of restricted net position:

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

D. CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 6,139,048	\$ 82,505	\$(66,335)	\$ 6,155,218
Right-of-ways	659,475	-	-	659,475
Construction in progress	65,647	241,707	-	307,354
Total Capital Assets Not Being Depreciated	<u>6,864,170</u>	<u>324,212</u>	<u>(66,335)</u>	<u>7,122,047</u>
Capital Assets Being Depreciated:				
Land improvements	6,199,768	55,160	-	6,254,928
Buildings	6,910,471	-	-	6,910,471
Equipment, furniture, and fixtures	4,748,030	586,932	(138,509)	5,196,453
Road/streets, Curb/gutters, and Driveway approaches	72,423,258	304,283	-	72,727,541
Bridges	2,512,132	-	-	2,512,132
Street lighting	1,659,097	-	-	1,659,097
Traffic signals	1,053,510	-	-	1,053,510
Sidewalks	3,581,245	150,383	-	3,731,628
Total Capital Assets Being Depreciated	<u>99,087,511</u>	<u>1,096,758</u>	<u>(138,509)</u>	<u>100,045,760</u>
Less Accumulated Depreciation for:				
Land improvements	3,399,263	306,677	-	3,705,940
Buildings	3,134,924	153,412	-	3,288,336
Equipment, furniture, and fixtures	2,929,253	242,678	(130,627)	3,041,304
Road/streets, Curb/gutters, and Driveway approaches	47,184,044	2,767,288	-	49,951,332
Bridges	404,928	62,804	-	467,732
Street lighting	893,514	81,511	-	975,025
Traffic signals	679,187	40,395	-	719,582
Sidewalks	2,077,621	183,380	-	2,261,001
Total Accumulated Depreciation	<u>60,702,734</u>	<u>3,838,145</u>	<u>(130,627)</u>	<u>64,410,252</u>
Capital Assets, Net of Depreciation	<u>\$45,248,947</u>	<u>\$(2,417,175)</u>	<u>\$(74,217)</u>	<u>\$42,757,555</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities</u>	
General government	\$ 42,272
Public safety	70,085
Public works, which includes the depreciation of infrastructure	3,569,140
Parks, recreation, and education	156,648
Total Governmental Activities Depreciation Expense	<u>\$ 3,838,145</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

D. CAPITAL ASSETS (cont.)

<u>Water Utility</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 568,259	\$ -	\$ -	\$ 568,259
Intangible plant - organizational costs	319	-	-	319
Construction in progress	103,692	-	-	103,692
Total Capital Assets Not Being Depreciated	672,270	-	-	672,270
Capital Assets Being Depreciated:				
Wells and springs	597,507	-	-	597,507
Buildings and systems	1,028,656	-	-	1,028,656
Improvements other than buildings	25,091,770	1,262,509	(188,616)	26,165,663
Machinery and equipment	2,106,777	140,804	(90,638)	2,156,943
Total Capital Assets Being Depreciated	28,824,710	1,403,313	(279,254)	29,948,769
Less Accumulated Depreciation for:				
Wells and springs	237,263	17,327	-	254,590
Buildings and systems	447,277	32,854	-	480,131
Improvements other than buildings	6,819,170	492,532	(98,448)	7,213,254
Machinery and equipment	1,171,457	97,802	(90,638)	1,178,621
Total Accumulated Depreciation	8,675,167	640,515	(189,086)	9,126,596
Capital Assets, Net of Depreciation	\$ 20,821,813	\$ 762,798	\$ (90,168)	\$ 21,494,443
<u>Sewer Utility</u>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 387,249	\$ 201,814	\$ (589,063)	\$ -
Capital Assets Being Depreciated:				
Buildings and systems	1,551,199	584,456	-	2,135,655
Improvements other than buildings	28,811,061	169,978	-	28,981,039
Machinery and equipment	744,314	104,631	-	848,945
Total Capital Assets Being Depreciated	31,106,574	859,065	-	31,965,639
Less Accumulated Depreciation for:				
Buildings and systems	386,368	36,707	-	423,075
Improvements other than buildings	11,092,129	580,908	-	11,673,037
Machinery and equipment	491,826	54,206	-	546,032
Total Accumulated Depreciation	11,970,323	671,821	-	12,642,144
Capital Assets, Net of Depreciation	\$ 19,523,500	\$ 389,058	\$ (589,063)	\$ 19,323,495

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

D. CAPITAL ASSETS (cont.)

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

Depreciation expense was charged to functions as follows:

Business-Type Activities

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special revenue – CDA/TIF District #1	\$ 42,789
General	Special revenue – CDA/TIF District #2	2,969
General	Special revenue – TIF District #1	423,658
General	Capital projects – TIF District #1	33,658
General	Enterprise – sewer utility	9,581
General	Enterprise – water utility	<u>460,337</u>
Sub-Total - Fund Financial Statements		972,992
Less: Elimination to government-wide statements		<u>(503,074)</u>
Total Government-Wide Financial Statements		<u>\$ 469,918</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	<u>\$ 469,918</u>
Total Government-Wide Financial Statements		<u>\$ 469,918</u>

All of these amounts are due within one year.

The principal purpose of these interfunds is the payment in lieu of taxes (“PILOT”) due from the water utility to the general fund (\$460,337) and due from the sewer utility to the general fund (\$9,581), and tax roll collections that were not distributed before year-end. The amounts due from the special revenue funds – TIF District #1 fund (\$423,658), CDA/TIF District #1 fund (\$42,789), CDA/TIF District #2 fund (\$2,969) and the capital projects fund – TIF District #1 (\$33,658) to the general fund resulted from expenditures exceeding revenues. Future fees and taxes will be used in future years to reimburse the general fund.

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

Advances

The following is a schedule of interfund advances:

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

Transfers

The following is a schedule of interfund transfers:

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

F. CAPITAL LEASE OBLIGATIONS

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

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

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

G. OPERATING LEASE OBLIGATIONS

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

H. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 9,564,541	\$ -	\$ 2,335,300	\$ 7,229,241	\$ 2,035,827
Revenue bonds	22,670,000	19,255,000	21,395,000	20,530,000	1,315,000
Add (Subtract) Deferred Amount for:					
Discounts	(128,770)	-	(115,887)	(12,883)	(2,901)
Premiums	141	-	61	80	61
Sub-Total	<u>32,105,912</u>	<u>19,255,000</u>	<u>23,614,474</u>	<u>27,746,438</u>	<u>3,347,987</u>
Other Liabilities:					
Vested compensated absences	151,128	170,858	172,199	149,787	-
Capital leases	958,464	508,868	411,394	1,055,938	360,068
Advances from developers on TIF District letters of credit	<u>1,214,902</u>	<u>-</u>	<u>141,920</u>	<u>1,072,982</u>	<u>99,993</u>
Total Other Liabilities	<u>2,324,494</u>	<u>679,726</u>	<u>725,513</u>	<u>2,278,707</u>	<u>460,061</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 34,430,406</u>	<u>\$ 19,934,726</u>	<u>\$ 24,339,987</u>	<u>\$ 30,025,145</u>	<u>\$ 3,808,048</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 313,556	\$ -	\$ 170,870	\$ 142,686	\$ 102,741
Revenue bonds	5,670,000	-	830,000	4,840,000	875,000
Add (Subtract) Deferred Amount for:					
Discounts	(41,898)	-	(5,661)	(36,237)	(5,661)
Sub-Total	<u>5,941,658</u>	<u>-</u>	<u>995,209</u>	<u>4,946,449</u>	<u>972,080</u>
Other Liabilities:					
Vested compensated absences	<u>19,130</u>	<u>26,718</u>	<u>26,808</u>	<u>19,040</u>	<u>-</u>
Total Other Liabilities	<u>19,130</u>	<u>26,718</u>	<u>26,808</u>	<u>19,040</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,960,788</u>	<u>\$ 26,718</u>	<u>\$ 1,022,017</u>	<u>\$ 4,965,489</u>	<u>\$ 972,080</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

H. LONG-TERM OBLIGATIONS (cont.)

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

General Obligation Debt

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

H. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt			Business-Type Activities General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,035,827	\$ 238,580	\$ 2,274,407	\$ 102,741	\$ 5,840	\$ 108,581
2019	2,847,764	157,996	3,005,760	39,945	1,798	41,743
2020	1,905,825	91,545	1,997,370	-	-	-
2021	265,825	12,219	278,044	-	-	-
2022	87,000	4,287	91,287	-	-	-
2023	87,000	2,143	89,143	-	-	-
Totals	<u>\$ 7,229,241</u>	<u>\$ 506,770</u>	<u>\$ 7,736,011</u>	<u>\$ 142,686</u>	<u>\$ 7,638</u>	<u>\$ 150,324</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

H. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

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

H. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

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

Other Debt Information

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

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

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

Current Refunding

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES

Governmental Activities Net Position

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

Net Investment in Capital Assets:

Land		\$ 6,155,218
Right-of-ways		659,475
Construction in progress		307,354
Other capital assets, net of accumulated depreciation		35,635,508
Less: related long-term debt outstanding, discount and premium, and loss net of debt used for utility asset contributions (\$6,839,483)	(\$21,566,616)	
Add: unspent debt proceeds	<u>-</u>	<u>(21,566,616)</u>
Total Net Investment in Capital Assets		<u>21,190,939</u>

Restricted:

Community Development Authority – TIF District #1 (debt service reserve)		1,570,358
Community Development Authority – TIF District #2 (debt service reserve)		251,253
WRS Pension		<u>415,433</u>
Total Restricted		<u>2,237,044</u>

Unrestricted (deficit):

		<u>(3,434,468)</u>
Total Governmental Activities Net Position – December 31, 2017		<u>\$19,993,515</u>

Governmental Fund Balances

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

Major Funds – Details of Fund Balance:

Nonspendable:

General Fund		
Prepaid items/inventories		\$ 383,422
Due from SAFER		644,620
Advance to Debt Service		<u>389,133</u>
Total Nonspendable		<u>\$ 1,417,175</u>

Restricted:

Special Revenue Fund – Community Development Authority – TIF District #1		
Debt service		<u>\$ 1,570,358</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

Governmental Fund Balances (cont.)

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

Assigned:

General Fund	
Public works department – Street lighting / Birch Street	\$ 7,500
Subsequent year's expenditures	<u>150,000</u>
Total Assigned	<u>\$ 157,500</u>

Unassigned:

General Fund	\$ 1,042,129
Debt Service Fund	(379,569)
Special Revenue Fund – TIF District #1	<u>(419,165)</u>
Total Unassigned	<u>\$ 243,395</u>

Non-Major Funds – Details of Fund Balance:

Nonspendable:

Capital Project Fund – Capital Improvements	<u>\$ 19,046</u>
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Restricted:

Special Revenue Fund – Community Development Authority – TIF District #2	
Debt service	<u>\$ 251,253</u>

Committed:

Special Revenue Fund – Civic and Social	<u>\$ 5,617</u>
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Assigned:

Special Revenue Fund – Aquatic Center	\$ 37,785
Special Revenue Fund – Refuse/Recycling	1,766
Special Revenue Fund – Park and Recreation	10,685
Special Revenue Fund – TIF District #2	169,113
Special Revenue Fund – Room Tax	178,281
Capital Projects Fund – Capital Improvements	<u>46,622</u>
Total Assigned	<u>\$ 444,252</u>

Unassigned:

Capital Project Fund – TIF District #1	<u>\$ (27,775)</u>
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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

J. BUSINESS-TYPE ACTIVITIES NET POSITION

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

General Information about the Pension Plan (cont.)

The WRS also provides death and disability benefits for employees.

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

During the reporting period, the WRS recognized \$109,671 in contributions from the Village and \$18,389 from the Utilities.

Contributions rates as of December 31, 2017 are:

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

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.00%	10.00%
2008	6.60%	0.00%
2009	-2.10%	-42.00%
2010	-1.30%	22.00%
2011	-1.20%	11.00%
2012	-7.00%	-7.00%
2013	-9.60%	9.00%
2014	4.70%	25.00%
2015	2.90%	2.00%
2016	.50%	-5.00%

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

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

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

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

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

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5%	37%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20%	4.3%	1.5%
Real Estate	8%	7%	6.5%	3.6%
Private Equity/Debt	8%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equity	70%	70%	7.6%	4.7%
International Equity	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.10% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Village's Proportionate Share of the Net Pension Liability (Asset)	\$1,369,443	\$ 104,096	\$ (870,280)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$229,626	\$ 17,454	\$ (145,927)

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

Payables to the Pension Plan

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

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

C. COMMITMENTS AND CONTINGENCIES

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

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

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

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

D. LITIGATION

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. JOINT VENTURES

Everest Metro Public Safety

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

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

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

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

Assets	
Current assets	\$1,053,437
Capital assets, net of depreciation	<u>260,605</u>
Total assets	<u>\$1,314,042</u>
Deferred Outflows of Resources	
Proportionate share of WRS pension plan	\$981,373
Pension contributions for subsequent year	<u>208,156</u>
Total deferred outflows of resources	<u>\$1,189,529</u>
Liabilities	
Current liabilities	\$ 371,736
Net pension liability	150,926
Noncurrent portion of long-term obligations	<u>69,994</u>
Total liabilities	<u>\$ 592,656</u>
Deferred Inflows of Resources	
Proportionate share of WRS pension plan	<u>\$ 474,649</u>
Net Position	
Net investment in capital assets	\$ 260,605
Unrestricted	<u>1,175,661</u>
Total net position	<u>\$1,436,266</u>
Revenue	
Received from Village of Weston	\$2,439,256
Received from City of Schofield	599,430
Received from Town of Weston	117,199
Other revenue	<u>228,181</u>
Total revenue	3,384,066
Expenses	<u>3,331,234</u>
Change in net position	<u>\$ 52,832</u>

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

E. JOINT VENTURES (cont.)

South Area Fire & Emergency Response District

The South Area Fire & Emergency Response District (SAFER) began on January 1, 2014, as a joint venture between the Village of Weston and the Town of Rib Mountain. Each municipality pays a proportionate share of the costs for the services of the SAFER District. The current proration of costs for 2017 is for the Village of Weston to pay 66.44% and the Town of Rib Mountain to pay 33.56% of the SAFER budget. The department is overseen by a five-member Board of Directors (the Board) made up of the Rib Mountain Town Board Chairperson or his/her designee, the Village of Weston President or his/her designee, one community representative from the Village, one community representative from the Town, and a resident of the areas served by SAFER. The Board approves a budget and controls all financial aspects of the department. A separate five-member administrative committee (Commission) is appointed to control management and policy of the department.

The Village contributed \$569,985 in 2017 for the operations and \$254,479 for capital equipment of SAFER. The Village accounts for its costs of the operation in the general fund and has an equity interest in the organization equal to its percentage share of participation.

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

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

Assets	
Current assets	\$ 575,105
Capital assets, net of depreciation	<u>2,648,010</u>
Total assets	<u>\$3,223,115</u>
Deferred Outflows of Resources	
Deferred Outflows of Resources related to Pension	<u>\$ 366,327</u>
Liabilities	
Current liabilities	\$1,007,353
Noncurrent portion of long-term obligations	98,111
Total liabilities	<u>\$1,105,464</u>
Deferred Inflows of Resources	
Deferred Inflows of Resources related to Pension	<u>\$ 300,771</u>
Net Position	
Net investment in capital assets	\$2,640,246
Restricted for Safety Programs	54,272
Restricted for Pension Benefits	16,015
Unrestricted	<u>(535,090)</u>
Total net position	<u>\$2,183,207</u>
Revenue	
Received from Village of Weston	\$824,464
Received from Town of Rib Mountain	363,249
Received from other municipalities	36,503
Other revenue	<u>1,116,705</u>
Total revenue	<u>2,340,921</u>
Expenses	<u>2,740,492</u>
Change in net position	<u>\$(399,571)</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE V – OTHER INFORMATION (cont.)

F. SUBSEQUENT EVENTS

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

On November 1, 2018, the Water Utility issued Waterworks System Revenue Bonds, Series 2018B in the amount of \$2,585,000 to refund existing debt and fund new projects.

Also, on November 1, 2018 the Stormwater Utility issued Stormwater Utility Revenue Refunding Bonds, Series 2018C in the amount of \$1,890,000. The purpose was to refund existing debt.

G. CREATION OF COMMUNITY DEVELOPMENT AUTHORITY AND LEASE COMMITMENTS

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

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

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

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

GENERAL FUND

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

VILLAGE OF WESTON

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

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

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

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

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

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

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

<u>EXPENDITURES</u>	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
GENERAL GOVERNMENT				
Village board	\$ 40,000	\$ 43,305	\$ 43,933	\$ (628)
Village municipality dues/memberships	6,430	3,125	5,572	(2,447)
Administrator	96,724	96,724	88,988	7,736
Clerk's office	193,933	176,933	175,319	1,614
Personnel/human resources	8,450	8,450	3,808	4,642
Elections	15,757	10,602	9,630	972
Municipal court	57,249	57,249	57,248	1
Village attorney	30,320	52,475	52,473	2
Village assessor	32,553	32,553	30,755	1,798
Finance/audit and budget	182,477	194,327	190,792	3,535
Tax collection	17,343	12,343	16,627	(4,284)
Risk management/insurance	81,980	81,980	68,663	13,317
Data processing/central services	171,110	161,110	155,031	6,079
Information technology	60,360	60,360	60,135	225
Board of review	400	400	122	278
Finance committee	2,392	2,392	1,209	1,183
Personnel committee	1,568	1,568	669	899
Municipal building	57,451	57,451	48,932	8,519
Tax refunds/Bad Debt	2,000	2,000	20,445	(18,445)
Capital outlay - General Government	56,000	42,572	38,278	4,294
Total General Government	1,114,497	1,097,919	1,068,629	29,290
PUBLIC SAFETY				
Police department				
Administration/operations	2,354,513	2,366,888	2,366,888	-
Building rent payment	15,120	15,120	15,120	-
Fire department				
Administration/operations - Village	8,218	8,218	1,223	6,995
SAFER District	569,985	569,985	569,985	-
Public safety building maintenance	8,800	31,971	30,842	1,129
Public safety committee	1,117	1,117	895	222
Public safety warning sirens	2,700	2,700	1,652	1,048
Building inspections	188,010	188,010	171,754	16,256
Weights and measures	3,400	3,400	3,200	200
Total Public Safety	3,151,863	3,187,409	3,161,559	25,850

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
PUBLIC WORKS				
Administration	\$ 35,859	35,859	\$ 33,192	\$ 2,667
Engineering	37,340	37,340	34,643	2,697
Road and street maintenance	1,133,032	1,090,032	1,064,838	25,194
Street irrigation maintenance	31,746	55,174	57,150	(1,976)
Snow and ice control	356,881	365,361	363,045	2,316
Street lighting	174,486	174,486	193,100	(18,614)
Street sweeping	19,297	19,297	16,611	2,686
Traffic control	35,500	35,500	27,686	7,814
Mowing	25,084	13,434	13,953	(519)
Public infrastructure committee	1,218	1,218	526	692
Capital outlay - Public Works	-	-	-	-
Total Public Works	<u>1,850,443</u>	<u>1,827,701</u>	<u>1,804,744</u>	<u>22,957</u>
HEALTH AND HUMAN SERVICES				
County humane animal shelter	<u>14,520</u>	<u>14,520</u>	<u>13,423</u>	<u>1,097</u>
PARKS, RECREATION, AND EDUCATION				
Administration	254,017	214,368	191,202	23,166
Park maintenance	80,369	124,884	125,174	(290)
Ice rinks	5,000	5,000	3,265	1,735
Parks and recreation committee	1,230	1,230	1,177	53
Total Parks, Recreation, and Education	<u>340,616</u>	<u>345,482</u>	<u>320,818</u>	<u>24,664</u>
COMMUNITY DEVELOPMENT				
Administration	173,946	173,946	169,303	4,643
Planning commission	8,097	8,097	2,711	5,386
Board of appeals	2,560	2,560	350	2,210
Extraterritorial limits committee	1,788	1,788	1,264	524
Smart growth/Land use	28,199	28,199	10,919	17,280
Taxpayer relations	109,940	109,940	116,388	(6,448)
Capital outlay - Community Development	2,800	2,800	3,039	(239)
Total Community Development	<u>327,330</u>	<u>327,330</u>	<u>303,974</u>	<u>23,356</u>

See accompanying notes to required supplementary information.

VILLAGE OF WESTON

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
OTHER				
Contingency reserve	\$ 44,366	\$ -	\$ -	\$ -
Total Expenditures	6,843,635	6,800,361	6,673,147	127,214
OTHER FINANCING USES				
Transfers To				
Capital improvements	25,000	54,030	54,030	-
Debt service	-	-	3,328	(3,328)
Refuse / recycling	28,325	28,325	26,327	1,998
Civic Trust	-	14,244	28,428	(14,184)
Total Other Financing Uses	53,325	96,599	112,113	(15,514)
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,896,960</u>	<u>\$ 6,896,960</u>	<u>\$ 6,785,260</u>	<u>\$ 111,700</u>

See accompanying notes to required supplementary information.

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MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

SPECIAL REVENUE FUNDS

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

Included in the Major Governmental Funds are:

TAX INCREMENTAL FINANCING (TIF) DISTRICT #1

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

COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #1

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

VILLAGE OF WESTON

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 4,787,918	\$ 4,787,918	\$ 4,787,918	\$ -
Intergovernmental	67,071	67,071	67,147	76
Special assessments	14,700	14,700	14,697	(3)
Investment earnings and miscellaneous	2,500	2,500	845	(1,655)
Total Revenues	<u>4,872,189</u>	<u>4,872,189</u>	<u>4,870,607</u>	<u>(1,582)</u>
EXPENDITURES				
Current				
Community development	5,439,612	3,839,868	1,040,876	2,798,992
Debt service				
Principal retirement	45,000	45,000	141,920	(96,920)
Interest and fiscal charges	-	-	5,371	(5,371)
Total Expenditures	<u>5,484,612</u>	<u>3,884,868</u>	<u>1,188,167</u>	<u>2,696,701</u>
Excess (deficiency) of revenues over expenditures	<u>(612,423)</u>	<u>987,321</u>	<u>3,682,440</u>	<u>2,695,119</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	74,664	74,664	47,213	(27,451)
Transfers out	(448,440)	(448,440)	(448,440)	-
Total Other Financing Sources (Uses)	<u>(373,776)</u>	<u>(373,776)</u>	<u>(401,227)</u>	<u>(27,451)</u>
Net Change in Fund Balance	(986,199)	613,545	3,281,213	2,667,668
FUND BALANCE (DEFICIT) - Beginning	<u>(3,700,378)</u>	<u>(3,700,378)</u>	<u>(3,700,378)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (4,686,577)</u>	<u>\$ (3,086,833)</u>	<u>\$ (419,165)</u>	<u>\$ 2,667,668</u>

VILLAGE OF WESTON

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

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

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

DEBT SERVICE FUND

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

SPECIAL REVENUE FUNDS

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

REFUSE / RECYCLING

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

TAX INCREMENTAL FINANCING (TIF) DISTRICT #2

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

COMMUNITY DEVELOPMENT AUTHORITY (CDA) – TIF DISTRICT #2

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

AQUATIC CENTER

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

ROOM TAXES

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

CIVIC AND SOCIAL

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

PARK AND RECREATION

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

NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

CAPITAL PROJECTS FUNDS

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

Included in the Non-Major Governmental Funds are:

TAX INCREMENTAL FINANCING (TIF) DISTRICT #1

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

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VILLAGE OF WESTON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

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

Special Revenue Funds			
Aquatic Center	Room Taxes	Civic and Social	Park and Recreation
\$ 39,490	\$ 92,062	\$ 5,617	\$ 10,685
40,000	-	-	-
-	-	-	-
-	86,484	-	-
<u>40,000</u>	<u>86,484</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>\$ 79,490</u>	<u>\$ 178,546</u>	<u>\$ 5,617</u>	<u>\$ 10,685</u>
\$ 1,322	\$ 222	\$ -	\$ -
-	43	-	-
20	-	-	-
-	-	-	-
363	-	-	-
<u>1,705</u>	<u>265</u>	<u>-</u>	<u>-</u>
40,000	-	-	-
<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	5,617	-
37,785	178,281	-	10,685
-	-	-	-
<u>37,785</u>	<u>178,281</u>	<u>5,617</u>	<u>10,685</u>
<u>\$ 79,490</u>	<u>\$ 178,546</u>	<u>\$ 5,617</u>	<u>\$ 10,685</u>

VILLAGE OF WESTON

Continued from
Previous Page

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)
December 31, 2017

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

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VILLAGE OF WESTON

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

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

Special Revenue Funds

Aquatic Center	Room Taxes	Civic and Social	Park and Recreation
\$ 40,000	\$ 409,072	\$ -	\$ -
-	-	-	-
-	-	6,055	-
125,611	-	5,117	13,244
-	-	-	789
75	-	3,248	163
<u>165,686</u>	<u>409,072</u>	<u>14,420</u>	<u>14,196</u>
-	-	-	-
249,177	20,000	-	3,785
-	88,069	42,827	-
-	-	-	-
<u>249,177</u>	<u>108,069</u>	<u>42,827</u>	<u>3,785</u>
<u>(83,491)</u>	<u>301,003</u>	<u>(28,407)</u>	<u>10,411</u>
-	-	-	-
-	-	-	-
96,961	-	28,428	-
-	(122,722)	-	(56,961)
<u>96,961</u>	<u>(122,722)</u>	<u>28,428</u>	<u>(56,961)</u>
13,470	178,281	21	(46,550)
<u>24,315</u>	<u>-</u>	<u>5,596</u>	<u>57,235</u>
<u>\$ 37,785</u>	<u>\$ 178,281</u>	<u>\$ 5,617</u>	<u>\$ 10,685</u>

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

VILLAGE OF WESTON

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

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

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OTHER INFORMATION

VILLAGE OF WESTON

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

TIF DISTRICT #1 FUND

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

TIF DISTRICT #2 FUND

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

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SUPPLEMENTARY INFORMATION

ENTERPRISE FUNDS

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

WATER UTILITY

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

SEWER UTILITY

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

STORMWATER UTILITY

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

VILLAGE OF WESTON

ENTERPRISE FUNDS SCHEDULE OF RATES OF RETURN - REGULATORY BASIS For the Year Ended December 31, 2017

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

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

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