

FINANCIAL REPORT

OF THE

***VILLAGE OF WESTON,
WISCONSIN***



FOR THE YEAR ENDED DECEMBER 31, 2018

Prepared By:
WESTON FINANCE DEPARTMENT

VILLAGE OF WESTON

ANNUAL FINANCIAL REPORT
December 31, 2018

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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, 2018, 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, 2018, 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.

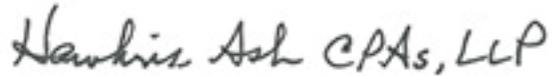
The debt service fund balance sheet and the combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been 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 July 11, 2019 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
July 11, 2019

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, 2018. 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 23 of this report. A comparative analysis has been presented for 2017 and 2018.

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, 2018 by \$79,156,592 (reported as "*net position*"). Of this amount, \$8,453,550 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 \$18,670,727, while the Business-Type Activities net position was \$60,485,865.
- The Village's total net position decreased by \$1,185,302 during fiscal year 2018, resulting from governmental and business-type activities. There was a decrease of \$1,263,222 net position from Governmental Activities, and an increase of \$77,920 in net position from Business-Type Activities. The Village also adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in an additional decrease to net position of \$85,830, reported as a change in accounting principle with net position restated as of January 1. The change in accounting principle decreased January 1 net position from Governmental Activities by \$59,566 and Business-Type Activities by \$26,264.
- At the close of the current fiscal year, the Village of Weston's governmental funds reported combined fund balances of \$5,995,884, which was an increase of \$1,915,063 in comparison with the prior year. The unassigned fund balance was \$1,169,714. At the end of the year, management had designated \$1,903,967 of the total fund balance as committed or assigned for specific purposes and \$2,922,203 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 \$1,796,208 or approximately 25.05% of the Village's 2018 total general fund expenditures of \$7,170,672. The unassigned fund balance in the Village's General Fund was \$1,742,708, which was an increase of \$700,579 from the previous year. The increase is because of a decrease in the nonspendable category for the advance to the TIF District #1.
- The Village issued a \$2.0M Series 2018A Note for utility work in TIF District #1.
- The Water Utility issued \$2.585M Revenue Bonds Series 2018B to refund existing 2006 revenue bonds (\$1,040,000) and for new capital projects (\$1,545,000) and the Storm Water Utility issued \$1.89M Revenue Refunding Bonds, Series 2018C. The Bond refunded 2007 revenue bonds.



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Village of Weston Management's Discussion and Analysis

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, 2018. 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:

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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 23-25 of this report.

Village of Weston Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The Village of Weston maintains 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, Special Revenue Fund-TIF District #1, and Capital Projects-TIF District #1 all of which are considered to be major funds. Data from the other eight 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 95-99 of this report. Budgetary comparisons for the Special Revenue, Capital Projects, and Debt Service Funds can be found on pages 100-101, 103-104, and 111-118 of this report.

Following is a listing and description of the governmental funds reported by the Village of Weston in 2018:

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.

Village of Weston Management's Discussion and Analysis

Governmental Funds (cont.)

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 2018, 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

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 2018, the Village of Weston used capital projects funds to account for:

- Capital Improvements
- TIF District #1 (major fund)

The basic governmental fund financial statements can be found on pages 26-31 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 accountability or other purposes.

Village of Weston Management's Discussion and Analysis

Proprietary Funds (cont.)

Enterprise Funds (cont.)

In 2018, 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 2018, 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 32-36 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 2018, the Village of Weston used agency funds to account for:

Tax Collections

The basic fiduciary fund financial statements can be found on page 37 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 38-90 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 91-120 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 \$79,156,592 (net position) as of December 31, 2018. This includes total assets of \$126,293,439, deferred outflows of resources of \$1,187,987, total liabilities of \$34,889,484, and deferred inflows of resources of \$13,435,350. 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 (85.3%) 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 \$8,453,550 (10.7%) 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 94.7% of all Village liabilities.

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, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 21,445,499	\$ 19,393,504	\$ 14,694,558	\$ 13,018,757	\$ 36,140,057	\$ 32,412,261
Capital assets	38,620,771	42,757,555	51,532,611	52,544,728	90,153,382	95,302,283
Total assets	<u>60,066,270</u>	<u>62,151,059</u>	<u>66,227,169</u>	<u>65,563,485</u>	<u>126,293,439</u>	<u>127,714,544</u>
Total deferred outflow s of resources	863,054	1,345,754	324,933	221,462	1,187,987	1,567,216
Non-current liabilities	(28,253,192)	(30,129,181)	(4,785,845)	(4,113,663)	(33,039,037)	(34,242,844)
Current and other liabilities	(824,747)	(963,872)	(1,025,700)	(1,164,973)	(1,850,447)	(2,128,845)
Total liabilities	<u>(29,077,939)</u>	<u>(31,093,053)</u>	<u>(5,811,545)</u>	<u>(5,278,636)</u>	<u>(34,889,484)</u>	<u>(36,371,689)</u>
Total deferred inflow s of resources	(13,180,658)	(12,410,245)	(254,692)	(72,102)	(13,435,350)	(12,482,347)
Net position:						
Net investment in capital assets	20,269,647	21,190,939	47,364,529	49,337,993	67,634,176	70,528,932
Restricted	2,115,187	2,237,044	953,679	897,877	3,068,866	3,134,921
Unrestricted (deficit)	<u>(3,714,107)</u>	<u>(3,434,468)</u>	<u>12,167,657</u>	<u>10,198,339</u>	<u>8,453,550</u>	<u>6,763,871</u>
Total net position	<u>\$ 18,670,727</u>	<u>\$ 19,993,515</u>	<u>\$ 60,485,865</u>	<u>\$ 60,434,209</u>	<u>\$ 79,156,592</u>	<u>\$ 80,427,724</u>

CHANGES IN NET POSITION

The 2018 overall net position of the Village decreased by \$1,185,302 from 2017.

Net position of the Village's governmental activities totaled \$18,670,727 as of December 31, 2018. Governmental activities for the year decreased net position by \$1,263,222. 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 \$3,714,107 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 \$293,576 for pensions.

The net position of business-type activities totaled \$60,485,865, an increase of \$77,920. The Village can use the unrestricted net position of \$12,167,657 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, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,905,657	\$ 1,619,174	\$ 5,162,684	\$ 4,802,572	\$ 7,068,341	\$ 6,421,746
Operating grants and contributions	160,741	166,679	1,150	1,683	161,891	168,362
Capital grants and contributions	501,111	1,287,592	34,075	565,357	535,186	1,852,949
General revenues:	-	-	-	-	-	-
Property taxes	11,162,288	10,493,763	-	-	11,162,288	10,493,763
Other taxes	550,534	552,190	-	-	550,534	552,190
Intergovernmental revenues not restricted to specific programs	1,251,251	1,255,028	-	-	1,251,251	1,255,028
Public gifts and/or grants not restricted to specific programs	-	-	-	-	-	-
Investment earnings	39,594	120,387	162,143	174,279	201,737	294,666
Other general revenues	80,477	76,908	258	7,121	80,735	84,029
Total Revenues	15,651,653	15,571,721	5,360,310	5,551,012	21,011,963	21,122,733
Expenses:						
General government	1,339,763	1,127,662	-	-	1,339,763	1,127,662
Public safety	4,185,959	3,648,131	-	-	4,185,959	3,648,131
Public works	6,607,532	6,105,480	-	-	6,607,532	6,105,480
Health and human services	12,800	13,423	-	-	12,800	13,423
Parks, recreation, and education	785,730	791,478	-	-	785,730	791,478
Community development	3,578,721	651,587	-	-	3,578,721	651,587
Interest and fiscal charges	901,194	1,325,074	-	-	901,194	1,325,074
Water utility	-	-	2,039,396	1,801,682	2,039,396	1,801,682
Sewer utility	-	-	2,075,951	2,150,473	2,075,951	2,150,473
Stormwater utility	-	-	670,219	586,175	670,219	586,175
Total Expenses	17,411,699	13,662,835	4,785,566	4,538,330	22,197,265	18,201,165
Increase (decrease) in net position before transfers	(1,760,046)	1,908,886	574,744	1,012,682	(1,185,302)	2,921,568
Transfers	496,824	486,106	(496,824)	(486,106)	-	-
Change in net position	(1,263,222)	2,394,992	77,920	526,576	(1,185,302)	2,921,568
Net position - January 1	19,993,515	17,598,523	60,434,209	59,907,633	80,427,724	77,506,156
Cumulative effect of change in accounting principle	(59,566)	-	(26,264)	-	(85,830)	-
Net position - January 1, as restated	19,933,949	17,598,523	60,407,945	59,907,633	80,341,894	77,506,156
Net position - December 31	\$ 18,670,727	\$ 19,993,515	\$ 60,485,865	\$ 60,434,209	\$ 79,156,592	\$ 80,427,724

Village of Weston Management's Discussion and Analysis

GOVERNMENTAL ACTIVITIES

Governmental activities for 2018 decreased the Village's net position by \$1,263,222. Total revenues, excluding transfers, increased by \$79,932 for 2018. Property taxes accounted for 71.3% and charges for services accounted for 12.2% of total 2018 governmental activities revenue, excluding transfers. Total expenses increased by \$3,645,585 for 2018. Expenses for public safety and public works were 61.9% of all governmental activities. Community development expenses were 20.7% of all governmental activities, an increase of 449.2% from 2017, due to a utility relocation project within TIF #1. Governmental expenses included \$3,930,839 in depreciation expense allocated as follows: \$3,664,802 to public works, \$37,444 to general government, \$72,287 to public safety, and \$156,306 to parks and recreation. Depreciation expense represents 22.7% of the total expenses for governmental activities.

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

Revenues:

- Property tax revenue had an overall increase in 2018 of \$668,525 (6.4%). The TIF district tax levies increased by \$289,746 (5.6%) in 2018 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 2018. The general-purpose tax levy of the Village increased by \$378,779 (10.5%) in 2018.
- Revenues from charges for services totaled \$1,905,657, which was an increase of \$286,483 (17.7%) from 2017. The increase occurred within general government due to a one-time \$300,000 rent payment agreement.
- Capital grants and contributions totaled \$501,111, a decrease of \$786,481 (-61.1%) from 2017. Loss of transportation aids account for \$66,335 of the decrease. The Village received \$564,002 in donations and contributions of capital assets in 2017 vs. \$11,084 in 2018, a decrease of \$552,918. Special assessments are decreased annually for amounts moved to the tax roll and other adjustments; in 2017 special assessments were decreased by \$72,518 vs. \$164,530 in 2018. The large change in 2018 is due to the write off of \$110,441 because the recapture agreements to collect the assessment has sunset.
- Investment earnings totaled \$39,564 in 2018, which was a decrease of \$80,793 (-67.1%) from 2017. The decrease is due to market adjustments.

Village of Weston Management's Discussion and Analysis

GOVERNMENTAL ACTIVITIES (cont.)

Expenses:

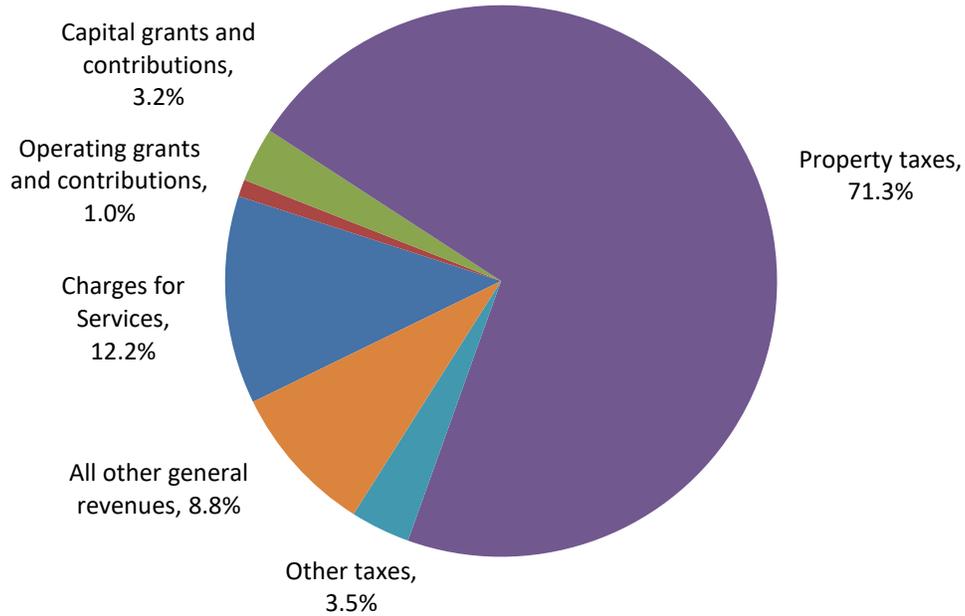
- General government expenses totaled \$1,339,763 in 2018, an increase of \$212,101 (18.8%) from 2017. The pension expense for general government increased by \$18,427 (85.3%) from 2017. Clerk's Department expenses increased by \$109,067 (62.2%), a result of merging Taxpayer Relations with the Clerk's Department in 2018. Expenses for the attorney and the Administrator's Department increased \$83,405 (58.9%) from 2017.
- Public safety expenses totaled \$4,185,959 in 2018, which was an increase of \$537,828 (14.7%) from 2017. The Village's share for police protection (Everest Metro Police Department) increased by \$174,633 (7.4%). The increase was for wages/benefits as well as capital outlay. The Village's share in the SAFER fire district increased by \$173,600 (30.5%). The SAFER fire district had a large increase in 2018 because they budgeted less revenues coming in to offset the expenditures, they also budgeted for an additional FTE. A non-operating expense of \$176,689 was recorded for a SAFER equipment lease that is to be paid by the Village.
- Public works expenses totaled \$6,607,532 in 2018, which was an increase of \$502,052 (8.2%) from 2017. The increase is partially due to \$287,948 of previously recorded capital work in progress being moved to public works expense as it was no longer likely these items would result in a capital asset. Snow and ice control expenses increased \$94,460 (26.0%) from 2017 due to a rough winter including a mid-April snow storm. The public works depreciation expense increased by \$95,662 (2.7%) from 2017 due to the assets added in 2017 having a full year's worth of depreciation in 2018.
- Community development expenses totaled \$3,578,721, an increase of \$2,927,134 (449.2%) from 2017. Capital expenses not capitalized increased by \$2,739,982 (9,329.8%) from 2017. This included the utility relocation project in TIF #1 for \$2,543,000 and other TIF #1 capital expenses of \$226,350.
- Interest and fiscal charges expenses totaled \$901,194 for 2018, a decrease of \$423,880 (-32.0%) from 2017. This decrease was because the Village continues to pay down its old debt.

**Village of Weston
Management's Discussion and Analysis**

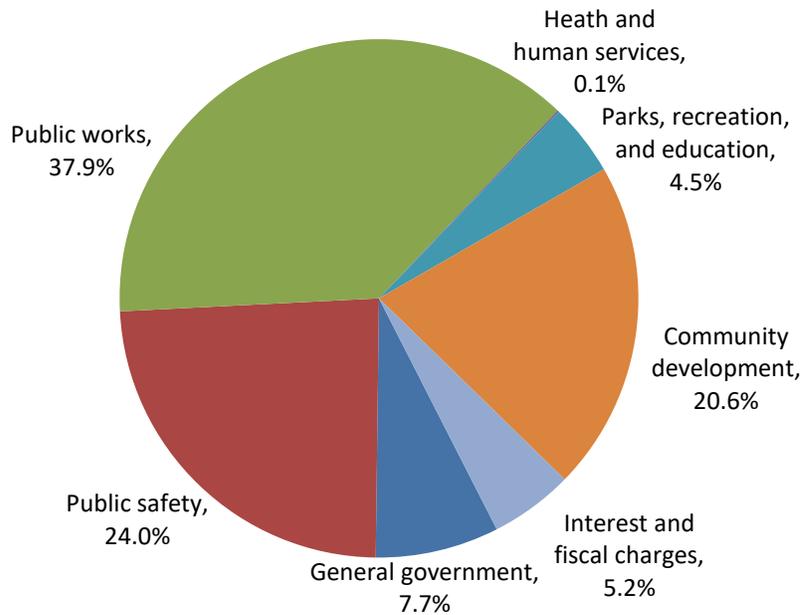
GOVERNMENTAL ACTIVITIES (cont.)

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 by \$77,920. Charges for services were over expenses by \$377,116. Other 2018 funding sources for the utility funds were capital grants and contributions of \$34,075 and operating grants and contributions of \$1,150. Investment earnings and other general revenues increased total revenues of \$162,403.

Charges for services increased by \$360,110 (7.5%) in 2018 because of the rate increases for both water and sewer. Capital grants and contributions decrease by \$531,282 (94.0%) because there were no developer contributions in 2018. Some of the significant changes in revenues were as follows:

- Water Utility operating revenues totaled \$2,319,314 for 2018, which was an increase of \$177,293 (8.3%) from 2017. The increase reflects the additional revenue from the rate increase implemented September 2018. Interest earnings on investments decreased by \$6,803 from 2017 which reflected less cash in the water utility for most of the year along with stable fair value of investments. The Water Utility implemented step one of a water rate increase in 2018, the Utility anticipated implementing step two of the rate increase mid-2019.
- Sewer Utility operating revenues totaled \$2,195,158 for 2018, which was an increase of \$174,434 (8.6%) from 2017. The increase reflects the additional revenue from the rate increase implemented September 2018. Interest earnings decreased by \$6,102 from 2017, which reflects the fair value of the investments of the sewer utility remaining stable during the year. The Utility implemented a rate increase in 2018.
- Stormwater Utility operating revenues totaled \$649,362 for 2018, which was an increase of \$7,851 from 2017. Interest earnings on investments increased by \$769 due to the rise in interest rates. In 2018, the Stormwater Utility paid back \$25,656 to the Sewer Utility. The total amount owed to the Sewer Utility is \$339,608.

Operating expenses, excluding depreciation, totaled \$2,647,708, which was an increase of \$96,704 (5.4%) from 2017. Depreciation expense increased by \$72,831 to \$1,720,417. Some of the significant changes in expenses were as follows:

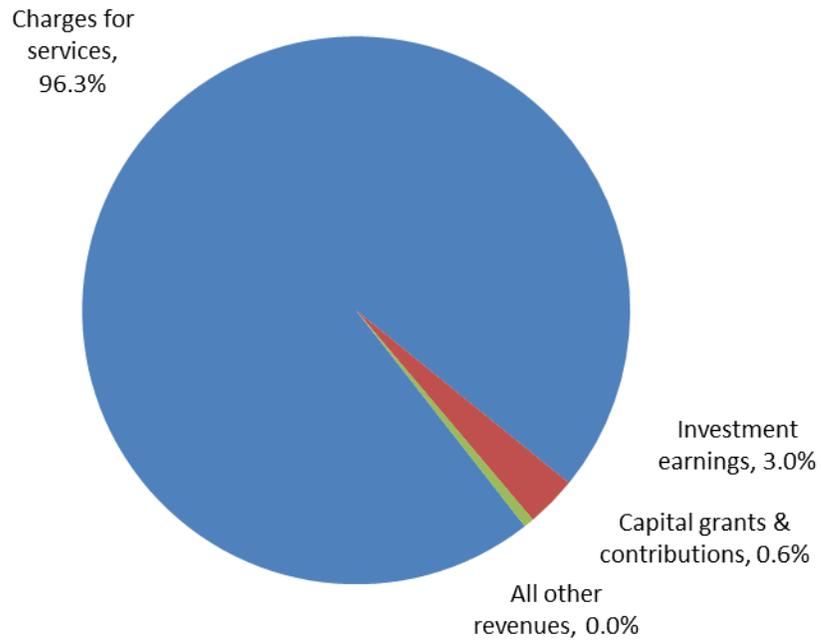
- Water Utility operations expense, excluding depreciation, increased by \$72,979 (6.9%). The increase is mainly due to contracting with an outside party for a water quality study, along with additional contact work for cross connections.
- Sewer Utility operating expenses, excluding depreciation, increased by \$4,771 (0.4%). In 2018, a lot of effort was put into the water utility with the sewer utility being left at status quo operations.
- Stormwater Utility operating expenses, excluding depreciation, increased by \$18,954 (13.4%). The increase is due to continuing drainage maintenance.

**Village of Weston
Management's Discussion and Analysis**

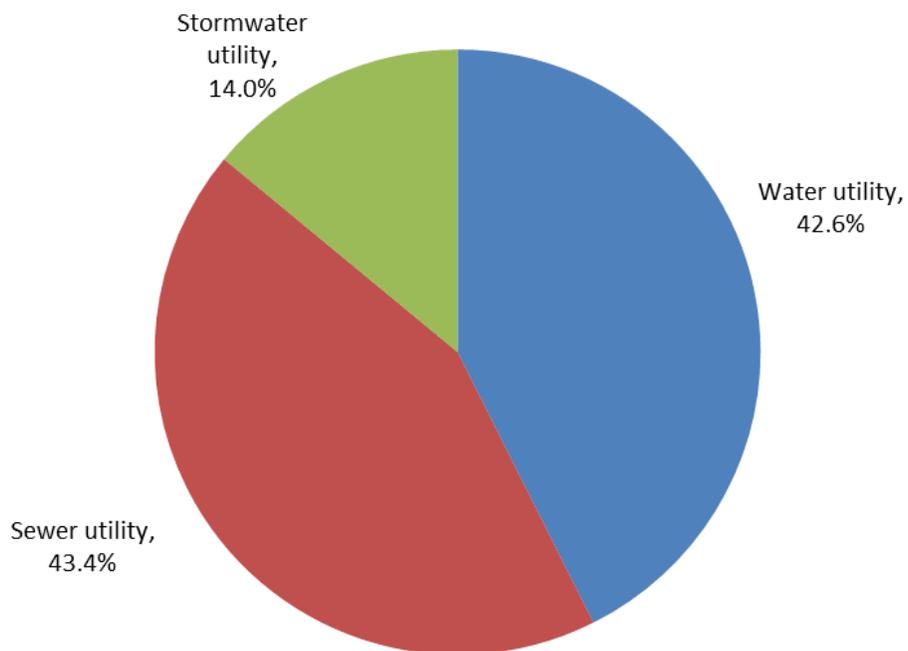
BUSINESS-TYPE ACTIVITIES (cont.)

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 2018 with a fund balance of \$5,995,884 in its governmental funds, compared to \$4,080,821 as of December 31, 2017. This is an increase of \$1,915,063. Of the 2018 fund balance, \$1,100,592 was nonspendable, \$1,821,611 was restricted, \$46,340 was committed, \$1,857,627 was assigned, and \$1,169,714 was unassigned. The nonspendable balance includes \$651,454 due from SAFER district. The full restricted balance of \$1,821,611 is for debt service.

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 \$279,996 from 2018 operations. Fund balance at year-end totaled \$2,896,800, of which \$1,100,592 is nonspendable, \$53,500 assigned, and \$1,742,708 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 \$103,875, which resulted in a total fund balance deficit at year-end of (\$483,444).

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 \$1,781,660, which resulted in a fund balance at year-end of \$1,362,495. The increase in fund balance was a result of collecting more increment than expenditures on projects.

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 behalf of the Village of Weston. Corresponding program expenditures and bond issuance costs are also recorded in this fund. There was a net increase in fund balance this year of \$22,082; the fund balance at year-end was \$1,592,440.

Proprietary Funds

Water Utility Fund

The water utility's operating income, before transfers and other nonoperating revenues and expenses, was \$570,054 in 2018. The overall change to net position was a decrease of \$130,038. The water utility's 2018 rate of return was 4.18%. The water utility received \$0 in capital contributions, unlike 2017 where it received \$234,795 in capital contributions.

Sewer Utility Fund

The sewer increased rates 15% starting September 2018. The utility realized an operating income, before transfers and other nonoperating revenues and expenses, of \$96,323. Overall net position increased by \$226,827. The sewer utility's 2018 rate of return was 1.22%. In 2017 the utility received \$186,661 in capital contributions, in 2018 the utility had \$34,075 in capital contributions.

Stormwater Utility Fund

In 2018, the utility had an operating income, before transfers and other nonoperating revenues and expenses, of \$129,332. It had a decrease in net position of \$18,869, the rate of return was 1.12%. The stormwater utility received \$143,901 in capital contributions in 2017, there were no capital contributions in 2018.

**Village of Weston
Management's Discussion and Analysis**

BUDGETARY ANALYSIS

The Village's 2018 General Fund amended expenditure budget totaled \$7,522,056. The Village's amended General Fund revenue budget totaled \$7,372,056. The 2018 revenue budget anticipated the use of \$150,000 in assigned fund balance.

As previously stated, the Village ended 2018 with a general fund balance increase of \$279,996. The Village received unanticipated revenues from a contract settlement of \$300,000 in 2018. Not only did the Village not use the anticipated \$150,000 from fund balance it increased its fund balance by \$279,996. The Village ended up \$429,996 better than budgeted.

Actual General Fund revenue was slightly over budget by \$114,404. The Taxes category experienced a positive variance of \$21,995, along with Licenses and Permits (\$12,062), Fines and Forfeiture (\$38,593). Other revenue categories experienced small positive or negative variances.

General Fund expenditures finished 2018 with a positive budget variance of \$315,592, or 4.2% under budget. Positive variances occurred in general government (\$30,962), public safety (\$22,647), public works (\$20,481), and community development (\$14,631). 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 95-99 of this report.

**Village of Weston
Management's Discussion and Analysis**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the Village of Weston had an investment in capital assets of \$90,153,382, net of accumulated depreciation, for all governmental and business-type activities of the Village. This amounts to a \$5,148,901 decrease (-5.4%) from the end of 2017.

In 2018 there were very few capital additions for the Village's governmental activities. The Village did add a new sign for \$41,065 and a couple pieces of equipment, a flail mower (\$8,155) and Hydraulic Breaker Hammer (\$7,355).

There were a few additions in the Village's business-type activities. The Water Utility had the most additions with the completion of the radio read project, \$312,660 in meter additions and \$56,510 in new valves. The Sewer Utility added a new sewer vac truck for \$472,175 and a utility van for \$31,498. The Stormwater Utility had no new additions in 2018. The following table provides a summary of the Village's change in capital assets.

**VILLAGE OF WESTON
CAPITAL ASSETS
December 31, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land/right-of-ways	\$ 6,814,693	\$ 6,814,693	\$ 623,352	\$ 623,352	\$ 7,438,045	\$ 7,438,045
Wells and springs	-	-	597,507	597,507	597,507	597,507
Buildings	6,910,471	6,910,471	3,164,311	3,164,311	10,074,782	10,074,782
Improvements	6,295,993	6,254,928	72,575,636	72,573,255	78,871,629	78,828,183
Equipment	5,070,133	5,196,453	3,017,924	3,159,722	8,088,057	8,356,175
Infrastructure	81,689,018	81,683,908	-	-	81,689,018	81,683,908
Construction in progress	28,640	307,354	195,580	103,692	224,220	411,046
Total capital assets	106,808,948	107,167,807	80,174,310	80,221,839	186,983,258	187,389,646
Less accumulated depreciation	(68,188,177)	(64,410,252)	(28,641,699)	(27,677,111)	(96,829,876)	(92,087,363)
Capital assets, net of depreciation	<u>\$ 38,620,771</u>	<u>\$42,757,555</u>	<u>\$51,532,611</u>	<u>\$52,544,728</u>	<u>\$ 90,153,382</u>	<u>\$ 95,302,283</u>

More detail regarding the Village's capital assets can be found in Note IV (D) on pages 62-64 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, 2018 totaled \$7,232,548. In addition, the Village had revenue debt outstanding (backed by revenues generated from the Weston Water, Sewer, and Stormwater Utilities) of \$5,505,000. 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 \$19,215,000. Capital lease obligations outstanding were \$695,870. Therefore, the total outstanding debt of the Village at December 31, 2018 totaled \$32,648,418.

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 2018 equalized value of \$1,193,258,600, the Village's statutory debt limit totaled \$59,662,930. The Village was at 12.12% of its legal debt limit as of December 31, 2018.

In 2018, the Village issued \$2.0M in general obligation promissory notes for utility work in the TIF. The Water Utility issued \$2.585M in revenue bonds and the Storm Water Utility issued \$1.890M in refunding revenue bonds.

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

**VILLAGE OF WESTON
OUTSTANDING DEBT
December 31, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds & notes	\$ 7,192,603	\$ 7,229,241	\$ 39,945	\$ 142,686	\$ 7,232,548	\$ 7,371,927
CDA lease revenue bonds	19,215,000	20,530,000	-	-	19,215,000	20,530,000
Water utility revenue bonds	-	-	2,585,000	1,240,000	2,585,000	1,240,000
Sewer utility revenue bonds	-	-	1,030,000	1,530,000	1,030,000	1,530,000
Stormwater utility revenue bonds	-	-	1,890,000	2,070,000	1,890,000	2,070,000
Capital leases	695,870	1,055,939	-	-	695,870	1,055,939
Total	<u>\$ 27,103,473</u>	<u>\$ 28,815,180</u>	<u>\$ 5,544,945</u>	<u>\$ 4,982,686</u>	<u>\$ 32,648,418</u>	<u>\$ 33,797,866</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 67-73 of this report.

**Village of Weston
Management's Discussion and Analysis**

ECONOMIC FACTORS, 2018 TAX RATES, AND THE 2019 BUDGET

The Village continues to struggle with levy limits and the ongoing decline in state aid to municipalities. The Village's 2019 budget increased its total operating tax levy (excluding TIF Districts) by 5.24%. The Village's total assessed value increased from \$1,135,459,700 in 2017 to \$1,142,273,800 in 2018, which was an increase of \$6,814,100. The 2018 assessed value reflects the change in the state law that no longer taxes machinery, tools and patterns as part of personal property, in 2017 that amount was \$11,307,800. The 2018 assessed tax rate was \$6.68 per \$1,000 of assessed valuation, a 5.20% increase from the 2017 assessed tax rate of \$6.35.

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 \$29,006,103 in projected revenues and \$25,751,645 in projected expenditures and transfers. Fund balances from several governmental funds will be applied towards budgeted deficits rather than increasing property tax rates or user fees any further to balance the 2019 operating budget.

The Water utility received authorization from the Wisconsin Public Service Commission to increase rates, the first step is effective September 2018, the second step will be effective mid- 2019. The average increase was approximately 11% for the first step. A sewer rate increase was authorized by the Village Board to increase September 2018 as well. The average increase for the sewer rate was 15%. The increases support ever increasing costs of maintaining the systems and an automatic meter read system. In 2016 the Stormwater utility increased rates from \$12.00/ERU to \$12.50/ERU.

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, 2018

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and investments	\$ 7,720,894	\$ 11,181,942	\$ 18,902,836
Receivables (net of allowance for uncollectibles):			
Taxes	7,853,330	13,744	7,867,074
Accounts	-	1,084,301	1,084,301
Intergovernmental receivables	515,688	5,141	520,829
Municipal court	363,949	-	363,949
Special assessments	75,732	394,690	470,422
Accrued interest	24,275	67,424	91,699
Other	162,143	46,201	208,344
Total Receivables	<u>8,995,117</u>	<u>1,611,501</u>	<u>10,606,618</u>
Internal balances	480,634	(480,634)	-
Inventories	3,035	88,182	91,217
Prepaid items	492,401	3,037	495,438
Net pension assets	293,576	129,054	422,630
Restricted assets:			
Cash and investments	1,833,946	2,161,476	3,995,422
Investment in joint venture - EMPD	1,056,296	-	1,056,296
Investment in joint venture - SAFER	569,600	-	569,600
Capital assets:			
Intangible plant - organizational costs	-	319	319
Land and right-of-ways	6,814,693	623,033	7,437,726
Construction in progress	28,640	195,580	224,220
Depreciable capital assets, net	<u>31,777,438</u>	<u>50,713,679</u>	<u>82,491,117</u>
TOTAL ASSETS	<u>60,066,270</u>	<u>66,227,169</u>	<u>126,293,439</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	563,549	247,897	811,446
Deferred outflows related to other postemployment benefit plan	20,354	8,954	29,308
Deferred charge on refunding	279,151	68,082	347,233
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>863,054</u>	<u>324,933</u>	<u>1,187,987</u>
LIABILITIES			
Accounts payable	326,009	138,430	464,439
Retainage payable	-	4,549	4,549
Other accrued liabilities	249,882	27,521	277,403
Special deposits	45,500	8,019	53,519
Accrued interest payable	185,447	1,423	186,870
General obligation debt - current	-	39,945	39,945
Intergovernmental payables	17,395	-	17,395
Unearned revenue	514	-	514
Liabilities payable from restricted assets:			
Current maturities of revenue debt	-	772,649	772,649
Accrued interest	-	33,164	33,164
Non-current liabilities:			
Net postemployment benefit liability	81,056	35,740	116,796
Due within one year	4,577,986	-	4,577,986
Due in more than one year	<u>23,594,150</u>	<u>4,750,105</u>	<u>28,344,255</u>
TOTAL LIABILITIES	<u>29,077,939</u>	<u>5,811,545</u>	<u>34,889,484</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year's property taxes	12,601,665	-	12,601,665
Pension related deferred inflows	577,850	254,189	832,039
Other postemployment benefit plan related deferred inflows	1,143	503	1,646
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,180,658</u>	<u>254,692</u>	<u>13,435,350</u>
NET POSITION			
Net investment in capital assets	20,269,647	47,364,529	67,634,176
Restricted for:			
Debt service	1,821,611	824,625	2,646,236
Pensions	293,576	129,054	422,630
Unrestricted (deficit)	<u>(3,714,107)</u>	<u>12,167,657</u>	<u>8,453,550</u>
TOTAL NET POSITION	<u>\$ 18,670,727</u>	<u>\$ 60,485,865</u>	<u>\$ 79,156,592</u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,339,763	\$ 569,573	\$ -	\$ -
Public safety	4,185,959	305,063	-	-
Public works	6,607,532	859,255	80,445	501,111
Health and human services	12,800	-	-	-
Parks, recreation, and education	785,730	154,733	27,100	-
Community development	3,578,721	17,033	500	-
Interest and fiscal charges	901,194	-	52,696	-
Total Governmental Activities	<u>17,411,699</u>	<u>1,905,657</u>	<u>160,741</u>	<u>501,111</u>
Business-Type Activities				
Water utility	2,039,396	2,319,314	-	-
Sewer utility	2,075,951	2,195,158	-	34,075
Stormwater utility	670,219	648,212	1,150	-
Total Business-Type Activities	<u>4,785,566</u>	<u>5,162,684</u>	<u>1,150</u>	<u>34,075</u>
Total Primary Government	<u>\$ 22,197,265</u>	<u>\$ 7,068,341</u>	<u>\$ 161,891</u>	<u>\$ 535,186</u>

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, as originally reported

Change in accounting principle

NET POSITION - January 1, as restated

NET POSITION - December 31

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (770,190)	\$ -	\$ (770,190)
(3,880,896)	-	(3,880,896)
(5,166,721)	-	(5,166,721)
(12,800)	-	(12,800)
(603,897)	-	(603,897)
(3,561,188)	-	(3,561,188)
(848,498)	-	(848,498)
<u>(14,844,190)</u>	<u>-</u>	<u>(14,844,190)</u>
-	279,918	279,918
-	153,282	153,282
-	<u>(20,857)</u>	<u>(20,857)</u>
-	<u>412,343</u>	<u>412,343</u>
<u>(14,844,190)</u>	<u>412,343</u>	<u>(14,431,847)</u>
4,002,637	-	4,002,637
1,550,000	-	1,550,000
5,476,325	-	5,476,325
40,000	-	40,000
93,326	-	93,326
390,169	-	390,169
160,365	-	160,365
1,251,251	-	1,251,251
39,594	162,143	201,737
60,476	258	60,734
20,001	-	20,001
496,824	<u>(496,824)</u>	-
<u>13,580,968</u>	<u>(334,423)</u>	<u>13,246,545</u>
<u>(1,263,222)</u>	<u>77,920</u>	<u>(1,185,302)</u>
19,993,515	60,434,209	80,427,724
<u>(59,566)</u>	<u>(26,264)</u>	<u>(85,830)</u>
<u>19,933,949</u>	<u>60,407,945</u>	<u>80,341,894</u>
<u>\$ 18,670,727</u>	<u>\$ 60,485,865</u>	<u>\$ 79,156,592</u>

VILLAGE OF WESTON

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

ASSETS	Special Revenue			
	General	Debt Service	TIF District #1	Comm. Dev. Authority - TIF District #1
Cash and investments	\$ 3,597,111	\$ -	\$ 3,377,458	\$ -
Receivables				
Taxes	1,985,763	1,300,206	3,394,222	-
Intergovernmental receivables	667,377	-	-	-
Municipal court	363,949	-	-	-
Special assessments	-	75,732	-	-
Accrued interest	8,240	-	-	13,986
Other	64,344	-	-	-
Total Receivables	3,089,673	1,375,938	3,394,222	13,986
Due from other funds	1,078,628	-	-	-
Prepaid items/Inventories	449,138	-	-	-
Restricted cash and investments	-	-	-	1,578,454
TOTAL ASSETS	\$ 8,214,550	\$ 1,375,938	\$ 6,771,680	\$ 1,592,440
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 94,703	\$ -	\$ 41,670	\$ -
Other accrued liabilities	245,203	-	3,516	-
Retainages payable	45,500	-	-	-
Intergovernmental payables	17,388	-	-	-
Due to other funds	-	483,444	-	-
Unearned revenue	-	-	-	-
Total Liabilities	402,794	483,444	45,186	-
DEFERRED INFLOWS OF RESOURCES				
Succeeding year's property taxes	4,607,277	1,300,206	5,363,999	-
Unavailable revenue-other	307,679	-	-	-
Unavailable revenue-special assessments	-	75,732	-	-
Total Deferred Inflows of Resources	4,914,956	1,375,938	5,363,999	-
FUND BALANCES (DEFICIT)				
Nonspendable	1,100,592	-	-	-
Restricted	-	-	-	1,570,358
Committed	-	-	-	-
Assigned	53,500	-	1,362,495	22,082
Unassigned	1,742,708	(483,444)	-	-
Total Fund Balances (Deficit)	2,896,800	(483,444)	1,362,495	1,592,440
INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,214,550	\$ 1,375,938	\$ 6,771,680	\$ 1,592,440

See accompanying notes to financial statements.

<u>Capital Projects</u>		
<u>TIF</u>	<u>Nonmajor</u>	<u>Total</u>
<u>District #1</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ 42,713	\$ 671,300	\$ 7,688,582
-	1,173,139	7,853,330
-	25,000	692,377
-	-	363,949
-	-	75,732
-	2,049	24,275
-	91,844	156,188
-	1,292,032	9,165,851
-	-	1,078,628
-	-	449,138
-	255,492	1,833,946
<u>\$ 42,713</u>	<u>\$ 2,218,824</u>	<u>\$ 20,216,145</u>
\$ 42,713	\$ 145,316	\$ 324,402
-	1,042	249,761
-	-	45,500
-	7	17,395
-	114,550	597,994
-	133	133
<u>42,713</u>	<u>261,048</u>	<u>1,235,185</u>
-	1,330,183	12,601,665
-	-	307,679
-	-	75,732
-	1,330,183	12,985,076
-	-	1,100,592
-	251,253	1,821,611
-	46,340	46,340
-	419,550	1,857,627
-	(89,550)	1,169,714
-	627,593	5,995,884
<u>\$ 42,713</u>	<u>\$ 2,218,824</u>	

VILLAGE OF WESTON

RECONCILIATION OF THE BALANCE SHEET TO TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2018

Fund balance - total governmental funds		\$ 5,995,884
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.		38,620,771
Investment for joint venture is not a financial resource and, therefore, is not reported in the funds.		1,625,896
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).		383,411
Internal service funds are reported in the statement of net position as governmental funds.		82,456
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 asset	293,576	
Deferred inflows of resources	(577,850)	
Deferred outflows of resources	<u>563,549</u>	279,275
The Village's proportionate share of other post employment benefit plans is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net other post employment benefit liability	(81,056)	
Deferred inflows of resources	(1,143)	
Deferred outflows of resources	<u>20,354</u>	(61,845)
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).		(28,357,583)
Amount due to SAFER for ambulance lease		(176,689)
Deferral amounts on debt refundings are reported as deferred outflows of resources on the government-wide statements.		<u>279,151</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 18,670,727</u></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, 2018

	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
REVENUES				
Taxes	\$ 4,163,180	\$ 1,550,000	\$ 5,082,332	\$ -
Intergovernmental	1,807,133	16,521	65,652	-
Licenses and permits	381,302	-	-	-
Fines and forfeitures	134,793	-	-	-
Special assessments	7,420	57,536	-	-
Charges for services	412,666	-	-	1,556,863
Contributions and donations	-	-	-	-
Investment earnings and miscellaneous	99,332	7,119	4,908	(21,539)
Total Revenues	7,005,826	1,631,176	5,152,892	1,535,324
EXPENDITURES				
Current				
General government	1,253,911	-	21,295	-
Public safety	3,470,710	-	-	-
Public works	1,901,818	-	-	-
Health and human services	12,800	-	-	-
Parks, recreation, and education	356,130	-	-	-
Community development	175,303	-	1,790,376	2,417
Capital improvements	-	-	-	-
Debt service				
Principal retirement	-	3,711,705	135,748	-
Interest and fiscal charges	-	756,344	29,073	2,268
Total Expenditures	7,170,672	4,468,049	1,976,492	4,685
Excess (deficiency) of revenues over expenditures	(164,846)	(2,836,873)	3,176,400	1,530,639
OTHER FINANCING SOURCES (USES)				
Bonds/notes issued	-	-	-	-
Transfers in	480,634	2,732,998	-	48,306
Transfers out	(35,792)	-	(1,394,740)	(1,556,863)
Sale of village properties	-	-	-	-
Total Other Financing Sources (Uses)	444,842	2,732,998	(1,394,740)	(1,508,557)
Net Change in Fund Balance	279,996	(103,875)	1,781,660	22,082
FUND BALANCES (DEFICIT) - Beginning	2,616,804	(379,569)	(419,165)	1,570,358
FUND BALANCES (DEFICIT) - Ending	\$ 2,896,800	\$ (483,444)	\$ 1,362,495	\$ 1,592,440

<u>Capital Projects</u>		
<u>TIF District #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 917,488	\$ 11,713,000
-	116,896	2,006,202
-	5,850	387,152
-	-	134,793
-	-	64,956
-	1,301,928	3,271,457
-	2,100	2,100
-	6,221	96,041
-	<u>2,350,483</u>	<u>17,675,701</u>
-	-	1,275,206
-	-	3,470,710
-	808,754	2,710,572
-	-	12,800
-	245,127	601,257
-	622,568	2,590,664
2,778,584	207,899	2,986,483
-	-	3,847,453
-	1,150	788,835
<u>2,778,584</u>	<u>1,885,498</u>	<u>18,283,980</u>
<u>(2,778,584)</u>	<u>464,985</u>	<u>(608,279)</u>
2,000,000	-	2,000,000
806,359	156,047	4,224,344
-	(740,125)	(3,727,520)
-	26,518	26,518
<u>2,806,359</u>	<u>(557,560)</u>	<u>2,523,342</u>
27,775	(92,575)	1,915,063
<u>(27,775)</u>	<u>720,168</u>	<u>4,080,821</u>
<u>\$ -</u>	<u>\$ 627,593</u>	<u>\$ 5,995,884</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, 2018

Net change in fund balances - total governmental funds	\$ 1,915,063
Amounts reported for governmental activities in the statement of activities are different because:	
<p>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.</p>	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	82,003
Depreciation is reported in the government-wide statements	(3,930,839)
Net effect of change in investment in joint venture - EMPD is to decrease net position.	(51,640)
Net effect of change in investment in joint venture - SAFER is to decrease net position.	(300,440)
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.	(287,948)
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.	(147,490)
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.	(136,158)
Change in the net other post employment benefit 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.	(2,279)
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 (\$3,711,705) exceeded issues (\$2,000,000 for general obligation debt).	1,711,705
Current year amortization expenditure of premiums, discounts, and loss of refunding is recorded in the government-wide financial statements, but is not recorded in the fund financial statements.	(119,993)
Amount due to SAFER for ambulance lease	(176,689)
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	8,423
Advances from developers on TIF District letters of credit	135,748
Accrued interest on debt	7,634
Internal service funds are used by management to charge the cost of self-insurance to individual funds. The increase in net position of the internal service funds is reported with governmental activities.	<u>29,678</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,263,222)</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 5,148,908	\$ 6,031,864	\$ 1,170	\$ 11,181,942	\$ 32,312
Taxes receivable	5,135	5,532	3,077	13,744	-
Accounts receivable	465,645	468,216	150,440	1,084,301	-
Accrued interest receivable	29,722	37,087	615	67,424	-
Other accounts receivable	45,981	220	-	46,201	5,955
Intergovernmental receivable	1,697	3,444	-	5,141	-
Inventories	88,182	-	-	88,182	-
Prepaid items	2,072	965	-	3,037	46,298
Restricted assets					
Revenue bond redemption account	297,551	345,780	214,458	857,789	-
Revenue bond construction account	-	383,252	-	383,252	-
Total Current Assets	<u>6,084,893</u>	<u>7,276,360</u>	<u>369,760</u>	<u>13,731,013</u>	<u>84,565</u>
NON-CURRENT ASSETS					
Restricted Assets					
Revenue bond reserve account	213,154	518,281	189,000	920,435	-
Net pension asset	75,464	41,756	11,834	129,054	-
Total restricted assets	<u>288,618</u>	<u>560,037</u>	<u>200,834</u>	<u>1,049,489</u>	<u>-</u>
Other Assets					
Special assessments receivable	27,365	367,325	-	394,690	-
Advance to other funds	-	339,608	-	339,608	-
Total other assets	<u>27,365</u>	<u>706,933</u>	<u>-</u>	<u>734,298</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	26,168,044	28,981,039	17,426,553	72,575,636	-
Machinery and equipment	2,163,512	849,778	4,634	3,017,924	-
Construction in progress	193,380	2,200	-	195,580	-
Less accumulated depreciation	(9,583,656)	(12,937,080)	(6,120,963)	(28,641,699)	-
Total capital assets (net of accumulated depreciation)	<u>21,136,021</u>	<u>19,031,592</u>	<u>11,364,998</u>	<u>51,532,611</u>	<u>-</u>
Total Non-Current Assets	<u>21,452,004</u>	<u>20,298,562</u>	<u>11,565,832</u>	<u>53,316,398</u>	<u>-</u>
TOTAL ASSETS	<u>27,536,897</u>	<u>27,574,922</u>	<u>11,935,592</u>	<u>67,047,411</u>	<u>84,565</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	145,006	80,171	22,720	247,897	-
Deferred outflows related to OPEB	5,237	2,896	821	8,954	-
Deferred charge on refunding	8,302	42,596	17,184	68,082	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>158,545</u>	<u>125,663</u>	<u>40,725</u>	<u>324,933</u>	<u>-</u>

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	\$ 64,411	\$ 73,991	\$ 28	\$ 138,430	\$ 1,728
Retainage payable	4,549	-	-	4,549	-
Other accrued liabilities	18,119	9,096	306	27,521	-
Customer deposits payable	3,057	4,962	-	8,019	-
Accrued interest payable	-	-	1,423	1,423	-
General obligation debt - current	-	-	39,945	39,945	-
Due to other funds	464,977	15,657	-	480,634	-
Unearned revenue	-	-	-	-	381
Current liabilities payable from restricted assets					
Current maturities of revenue debt	260,000	322,649	190,000	772,649	-
Accrued interest payable	12,517	13,853	6,794	33,164	-
Total Current Liabilities	<u>827,630</u>	<u>440,208</u>	<u>238,496</u>	<u>1,506,334</u>	<u>2,109</u>
NON-CURRENT LIABILITIES					
Revenue debt, less current maturities	2,325,000	702,257	1,700,000	4,727,257	-
Advance from other funds	-	-	339,608	339,608	-
Net OPEB liability	20,931	11,539	3,270	35,740	-
Compensated absences	11,424	11,424	-	22,848	-
Total Non-Current Liabilities	<u>2,357,355</u>	<u>725,220</u>	<u>2,042,878</u>	<u>5,125,453</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,184,985</u>	<u>1,165,428</u>	<u>2,281,374</u>	<u>6,631,787</u>	<u>2,109</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred inflows	148,686	82,206	23,297	254,189	-
OPEB related deferred inflows	294	163	46	503	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>148,980</u>	<u>82,369</u>	<u>23,343</u>	<u>254,692</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	18,772,477	18,950,815	9,641,237	47,364,529	-
Restricted for debt service	285,034	331,927	207,664	824,625	-
Restricted for WRS Pension	75,464	41,756	11,834	129,054	-
Unrestricted (deficit)	5,228,502	7,128,290	(189,135)	12,167,657	82,456
TOTAL NET POSITION	<u>\$ 24,361,477</u>	<u>\$ 26,452,788</u>	<u>\$ 9,671,600</u>	<u>\$ 60,485,865</u>	<u>\$ 82,456</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, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
OPERATING REVENUES					
Intergovernmental	\$ -	\$ -	\$ 1,150	\$ 1,150	\$ -
Charges for services	1,834,704	2,195,158	648,212	4,678,074	564,473
Public fire protection	461,555	-	-	461,555	-
Other operating revenue	23,055	-	-	23,055	-
Total Operating Revenues	<u>2,319,314</u>	<u>2,195,158</u>	<u>649,362</u>	<u>5,163,834</u>	<u>564,473</u>
OPERATING EXPENSES					
Utility operations	696,149	406,693	144,756	1,247,598	-
Administration	436,047	269,738	15,750	721,535	-
Rib Mountain Sewerage District - services	-	678,575	-	678,575	-
Depreciation	617,064	743,829	359,524	1,720,417	-
Health claims and other employee benefits	-	-	-	-	534,795
Total Operating Expenses	<u>1,749,260</u>	<u>2,098,835</u>	<u>520,030</u>	<u>4,368,125</u>	<u>534,795</u>
Operating Income (Loss)	<u>570,054</u>	<u>96,323</u>	<u>129,332</u>	<u>795,709</u>	<u>29,678</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	102,648	144,997	6,752	254,397	-
Net decrease in fair value of investments	(41,454)	(49,364)	(1,436)	(92,254)	-
Gain (Loss) on sale of capital assets	(154,617)	89,787	(2,268)	(67,098)	-
Interest expense and fiscal charges	(134,177)	(44,893)	(145,957)	(325,027)	-
Amortization of bond discount	(1,121)	(2,351)	(1,637)	(5,109)	-
Amortization of loss on advance refunding	(221)	(19,659)	(327)	(20,207)	-
Other	258	-	-	258	-
Total Nonoperating Revenues (Expenses)	<u>(228,684)</u>	<u>118,517</u>	<u>(144,873)</u>	<u>(255,040)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	<u>341,370</u>	<u>214,840</u>	<u>(15,541)</u>	<u>540,669</u>	<u>29,678</u>
Capital contributions	-	34,075	-	34,075	-
Transfer out - debt service	(6,431)	(6,431)	(3,328)	(16,190)	-
Transfers out - tax equivalent	(464,977)	(15,657)	-	(480,634)	-
Change in Net Position	<u>(130,038)</u>	<u>226,827</u>	<u>(18,869)</u>	<u>77,920</u>	<u>29,678</u>
NET POSITION - January 1	24,506,896	26,234,441	9,692,872	60,434,209	52,778
Change in accounting principle	<u>(15,381)</u>	<u>(8,480)</u>	<u>(2,403)</u>	<u>(26,264)</u>	<u>-</u>
NET POSITION - January 1, as restated	<u>24,491,515</u>	<u>26,225,961</u>	<u>9,690,469</u>	<u>60,407,945</u>	<u>52,778</u>
NET POSITION - December 31	<u>\$ 24,361,477</u>	<u>\$ 26,452,788</u>	<u>\$ 9,671,600</u>	<u>\$ 60,485,865</u>	<u>\$ 82,456</u>

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2018

	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	\$ 2,167,154	\$ 2,145,498	\$ 647,444	\$ 4,960,096	\$ 502,539
Payments to suppliers for goods and services	(619,751)	(1,146,128)	(90,369)	(1,856,248)	(529,914)
Payments to employees	(522,749)	(294,421)	(84,543)	(901,713)	-
Net Cash Provided (Used) by Operating Activities	<u>1,024,654</u>	<u>704,949</u>	<u>472,532</u>	<u>2,202,135</u>	<u>(27,375)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to municipality for tax equivalent	(460,337)	(9,581)	-	(469,918)	-
Advance from (to) Sewer Utility	-	25,656	(25,656)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(460,337)</u>	<u>16,075</u>	<u>(25,656)</u>	<u>(469,918)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Additions to capital assets	(485,358)	(505,874)	-	(991,232)	-
Special assessments received	-	48,416	-	48,416	-
Special assessments placed on tax roll	1,435	1,813	-	3,248	-
Proceeds from the sale of capital assets	20,726	195,108	-	215,834	-
Proceeds from capital debt	2,585,000	-	1,890,000	4,475,000	-
Debt issuance costs	(82,665)	-	(57,486)	(140,151)	-
Principal paid	(1,240,000)	(500,000)	(2,172,741)	(3,912,741)	-
Interest paid on long-term debt	(55,828)	(51,560)	(105,727)	(213,115)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>743,310</u>	<u>(812,097)</u>	<u>(445,954)</u>	<u>(514,741)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(445,000)	(249,000)	-	(694,000)	-
Sale of investments	247,000	247,000	-	494,000	-
Income on investments	98,129	125,610	6,752	230,491	-
Net Cash Provided (Used) by Investing Activities	<u>(99,871)</u>	<u>123,610</u>	<u>6,752</u>	<u>30,491</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,207,756	32,537	7,674	1,247,967	(27,375)
CASH AND CASH EQUIVALENTS - Beginning	<u>189,559</u>	<u>1,901,247</u>	<u>227,478</u>	<u>2,318,284</u>	<u>59,687</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 1,397,315</u>	<u>\$ 1,933,784</u>	<u>\$ 235,152</u>	<u>\$ 3,566,251</u>	<u>\$ 32,312</u>

VILLAGE OF WESTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For the Year Ended December 31, 2018

	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)	\$ 570,054	\$ 96,323	\$ 129,332	\$ 795,709	\$ 29,678
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	617,064	743,829	359,524	1,720,417	-
Nonoperating other revenue	258	-	-	258	-
Change in pension related assets, deferred outflows, and deferred inflows	(19,848)	(22,066)	(11,257)	(53,171)	-
Change in OPEB related assets, deferred outflows, and deferred inflows	607	326	92	1,025	-
Changes in assets and liabilities					
Taxes receivable	2,290	1,813	(267)	3,836	-
Accounts receivable	(153,704)	(50,943)	(1,651)	(206,298)	(5,294)
Intergovernmental receivables	(1,004)	(530)	-	(1,534)	-
Inventories	(3,680)	-	-	(3,680)	-
Prepaid items	(1,071)	(489)	-	(1,560)	7,277
Accounts payable	(39,087)	2,995	-	(36,092)	(2,396)
Retainages payable	4,549	(12,178)	-	(7,629)	-
Other accrued liabilities	1,380	1,769	87	3,236	-
Compensated absences	1,904	1,904	-	3,808	-
Meter allocation	51,373	(51,373)	-	-	-
Operating lease payment	(6,431)	(6,431)	(3,328)	(16,190)	-
Unearned revenue	-	-	-	-	(56,640)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,024,654	\$ 704,949	\$ 472,532	\$ 2,202,135	\$ (27,375)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and investments - statement of net position - proprietary funds	\$ 5,148,908	\$ 6,031,864	\$ 1,170	\$ 11,181,942	\$ 32,312
Restricted cash and investments - statement of net position - proprietary fund					
Revenue bond redemption account	297,551	345,780	214,458	857,789	-
Revenue bond construction account	-	383,252	-	383,252	-
Revenue bond reserve account	213,154	518,281	189,000	920,435	-
Total Cash and Investments	5,659,613	7,279,177	404,628	13,343,418	32,312
Less: Non-Cash Equivalents	(4,262,298)	(5,345,393)	(169,476)	(9,777,167)	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,397,315	\$ 1,933,784	\$ 235,152	\$ 3,566,251	\$ 32,312
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Developer and customer financed additions to utility plant	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF NET POSITION
FIDUCIARY FUND
December 31, 2018

	<u>Property Tax</u>
ASSETS	
Cash and investments	\$ 5,530,908
Taxes receivable	<u>9,530,587</u>
TOTAL ASSETS	<u><u>15,061,495</u></u>
LIABILITIES	
Intergovernmental payables	<u>15,061,495</u>
TOTAL LIABILITIES	<u><u>\$ 15,061,495</u></u>

VILLAGE OF WESTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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. (F.) 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. (F.) 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, 2018

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, 2018

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 behalf of the Village of Weston and the transfer of these proceeds to the TIF District #1 – Capital Projects Fund. This fund also accounts for the lease payments received by the CDA from the Village. Corresponding program expenditures and bond issuance costs are recorded in this fund.

Capital Projects Fund – TIF District #1 – accounts for the receipts and disbursements of capital related items for TIF District #1.

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.

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, and workers compensation insurance program.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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, 2018

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, 2018

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, 2018

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, 2018, the fair value of the Village’s share of the LGIP’s assets was substantially equal to the amount as reported in these statements.

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 – 2018 tax roll:

Lien date and levy date	November 2018
Tax bills mailed	December 14, 2018
Payment in full, or	January 31, 2019
- First installment due	January 31, 2019
- Second installment due to Marathon County	July 31, 2019
Personal property taxes due in full	January 31, 2019
Tax settlement with other governmental units:	
- First settlement	January 15, 2019
- Second settlement	February 20, 2019
- Final settlement	August 20, 2019
Tax deed sale by Marathon County:	
- 2018 delinquent real estate taxes	October 2021

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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 (\$240). 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. There is an allowance set up for miscellaneous receivables in both the water and sewer funds (\$140 in water and \$140 in sewer).

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, 2018

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 three 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. The third is related to the Villages proportionate share of the Local Retiree Life Insurance Fund plan.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE I – 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 four 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 third is related to the Villages proportionate share of the OPEB liability. The final 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. Other Post-Employment Benefits (OPEB)

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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

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

9. Basis for Existing Rates – Proprietary Funds

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on August 18, 2018, and placed into effect on September 1, 2018.

Sewer Utility

Current sanitary sewer/wastewater rates were approved by the Village Board on July 16, 2018.

Stormwater Utility

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

10. 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, 2018 are determined on the basis of current salary rates and include salary related payments.

11. 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

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

12. 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.

13. Equity Classifications

Government-Wide Statements

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

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$20,269,647	\$47,364,529	\$(6,463,264)	\$61,170,912
Unrestricted	(3,714,107)	12,167,657	6,463,264	14,916,814

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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

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.
- 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, 2018

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 \$28,357,583 difference in liabilities is as follows:

General obligation bonds and notes payable	\$7,192,603
Revenue bonds payable	19,215,000
Lease payable	695,870
Compensated absences	141,364
Advances from developers on TIF District letters of credit	937,234
Accrued interest	185,447
Unamortized debt discounts and premiums	<u>(9,935)</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$28,357,583</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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 function 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 \$300,000 in the General Fund revenues and expenditures and a \$2,000,000 increase of revenue and expenditures in the Capital Projects Fund – TIF #1. The Village Board properly authorized all supplemental appropriations for budget year 2018. 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, and the Enterprise Funds.

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, 2018

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditure cost centers had excess of actual expenditures over budget for the year ended December 31, 2018.

	<u>Excess Expenditures</u>
General Fund	
Other Financing Uses	\$ 4,139
 Special Revenue Funds	
TIF District #1	923,233
Aquatic Center	5,694
Refuse/Recycling	38,375
Room Tax	36,035
 Capital Project Funds	
TIF District #1	655,584

The excess amounts that occurred in the General Fund were covered by excess revenues in that fund. The Special Revenue Fund – TIF District #1, Special Revenue Fund – Aquatic Center, and Special Revenue – Refuse/Recycling were covered by excess revenues, Capital Projects Fund – TIF District #1 was covered with a transfer from Special Revenue Fund – TIF District #1, and Special Revenue Fund – Room Tax was covered by the fund balance in that fund.

C. DEFICIT BALANCES

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

As of December 31, 2018, the following individual funds held a deficit balance:

Fund	Deficit Balance	Reason
Debt Service Fund	\$483,444	Costs exceed tax collected
 Capital Project Funds		
Capital Improvement	\$89,550	Costs exceed tax collected

The deficit in the Capital Projects Fund – Capital Improvements and the deficit in the Debt Service Fund will be paid back with future revenues.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 2008, 2018 Series B, and 2018 Series C revenue bonds.

Insurance

The water, sewer and stormwater utilities are covered under the following insurance policies at December 31, 2018 (unaudited):

Type	Coverage	Expiration Date
<i>MPIC Insurance</i>		
Building, Personal Property & Property in the Open and Contractor’s Equipment	\$44,342,315	12/31/2018
<i>League of Wisconsin Municipalities Mutual Insurance</i>		
General Liability	\$4,000,000	12/31/2018
Automobile	4,000,000	12/31/2018

Refer to Note V.(C.) 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 the highest annual debt service of the bonds. The coverage requirement was met as follows:

	Water Utility	Sewer Utility	Stormwater Utility
Operating revenues	\$2,319,314	\$2,195,158	\$ 649,362
Investment earnings	102,648	144,997	6,752
Less: Operations and maintenance expenses	<u>(1,132,196)</u>	<u>(1,355,006)</u>	<u>(160,506)</u>
Net Defined Earnings	<u>\$1,289,766</u>	<u>\$ 985,149</u>	<u>\$ 495,608</u>
Minimum Required Earnings per Resolution:			
Highest annual debt service	\$ 332,373	\$ 367,380	\$245,743
Coverage factor	<u>1.25</u>	<u>1.25</u>	<u>1.25</u>
Minimum Required Earnings	<u>\$ 415,466</u>	<u>\$ 459,225</u>	<u>\$ 307,179</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 2018 (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	4,869	230,484	5,041	215,593	4,675	4,407
Commercial	415	98,383	591	131,999	483	6,226
Industrial	38	288,029	40	36,630	26	1,604
Public Authority	35	26,231	22	8,604	26	771
Other	<u>178</u>	<u>63,020</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>159</u>
Totals	<u>5,535</u>	<u>706,147</u>	<u>5,694</u>	<u>392,826</u>	<u>5,224</u>	<u>13,167</u>

Utility Budget

The 2018 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	\$2,380,766	\$2,528,917	\$2,526,185	\$2,584,483
Sewer Utility	2,380,578	2,386,988	2,196,306	2,374,326
Stormwater Utility	654,678	641,580	675,950	608,447

* Excluding capital contribution revenue sources in the Sewer Utility of \$34,075.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	\$ 14,852,163	\$ 14,230,680	Custodial credit
Certificates of deposits	2,723,848	2,723,848	Custodial credit
Petty cash	4,584	-	N/A
Total cash	<u>\$17,580,595</u>	<u>\$16,954,528</u>	
Wisconsin Local Government Investment Pool (LGIP)	\$ 2,082		Credit, Interest rate
Wisconsin Investment Series Coop (WISC)	77,946		Credit, Interest rate
Municipal securities	517,390		Credit, Custodial credit, Interest rate, Concentration of credit
Negotiable certificates of deposits	3,121,455		Credit, Custodial credit, Interest rate, Concentration of credit
U.S. Government treasury securities	36,145		Custodial credit, Interest rate
U.S. Government agency securities	7,093,553		Credit, Custodial credit, Interest rate, Concentration of credit
Total investments	<u>10,848,571</u>		
Total cash and investments	<u>\$ 28,429,166</u>		
Reconciliation to financial statements:			
Per statement of net position			
Unrestricted cash and investments	\$18,902,836		
Restricted cash and investments	3,995,422		
Per statement of fiduciary net position			
Agency Funds	<u>5,530,908</u>		
Total cash and investments	<u>\$28,429,166</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, 2018, 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, 2018

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, 2018:

Investment Type	Fair Value Measuring Using		
	Level 1	Level 2	Level 3
U.S. Agencies		\$ 7,093,553	
U.S. Treasuries		36,145	
Negotiable CD's		3,121,455	
Municipal Securities		517,390	
External Investments		80,028	
Total		\$10,848,571	

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, 2018, \$11,422,592 of the Village's bank balances of \$16,954,528 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized demand deposits	\$10,337,918
Uninsured and uncollateralized certificates of deposit	1,084,674
	\$11,422,592

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018, 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 party with, a security of the same issuer which has such a rating. As of December 31, 2018, 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, 2018, 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)
Wisconsin Investment Series Cooperative (WISC)

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, 2018, the investment portfolio had concentrations of investments greater than 5% of the total portfolio as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>of Portfolio</u>
Federal Farm Credit Bank	U.S. Government agency notes and mortgage-backed securities	18.39%
Federal Home Loan Mortgage Corp.	U.S. Government agency notes and mortgage-backed securities	14.49%
Federal Home Loan Bank	U.S. Government agency notes and mortgage-backed securities	7.07%
Federal National Mortgage Association	U.S. Government agency notes and mortgage-backed securities	25.91%

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, 2018, 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, 2018

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)	\$ 2,082	30	
Wisconsin Investment Series	77,946	<120	
U.S. Government agency notes	7,093,553		6.22
Negotiable certificates of deposit	3,121,455		1.94
Municipal securities	517,390		6.50
Externally managed portfolios:			
U.S. Government treasury securities	36,145	36	
Total fair value	<u>\$10,848,571</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, 2018, 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 (\$240).

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	\$ -	\$12,601,665	\$12,601,665
Unearned revenue	-	133	133
Special assessments	75,732	-	75,732
Receivables not received within 60 days of year-end	<u>307,679</u>	-	<u>307,679</u>
Total deferred inflows / unearned revenue	<u>\$ 383,411</u>	<u>\$12,601,798</u>	<u>\$12,985,209</u>

On the statement of net position \$381 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, 2018

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	\$ 920,435
Revenue bond redemption account	857,789
Revenue bond construction account	<u>383,252</u>
Total Restricted Assets	<u>2,161,476</u>
Less: Restricted Assets Not Funded by Revenues	
Revenue bond reserve account	(920,435)
Revenue bond construction account	<u>(383,252)</u>
Total Restricted Assets Not Funded by Revenues	<u>(1,303,687)</u>
Current Liabilities Payable From Restricted Assets	<u>(33,164)</u>
Total Restricted Net Position for debt service as Calculated	<u>\$ 824,625</u>
Total Restricted Net Position for WRS Pension	<u>\$ 129,054</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

D. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 6,155,218	\$ -	\$ -	\$ 6,155,218
Right-of-ways	659,475	-	-	659,475
Construction in progress	307,354	9,234	(287,948)	28,640
Total Capital Assets Not Being Depreciated	<u>7,122,047</u>	<u>9,234</u>	<u>(287,948)</u>	<u>6,843,333</u>
Capital Assets Being Depreciated:				
Land improvements	6,254,928	41,065	-	6,295,993
Buildings	6,910,471	-	-	6,910,471
Equipment, furniture, and fixtures	5,196,453	26,594	(152,914)	5,070,133
Road/streets, Curb/gutters, and Driveway approaches	72,727,541	-	-	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	3,731,628	5,110	-	3,736,738
Total Capital Assets Being Depreciated	<u>100,045,760</u>	<u>72,769</u>	<u>(152,914)</u>	<u>99,965,615</u>
Less Accumulated Depreciation for:				
Land improvements	3,705,940	309,765	-	4,015,705
Buildings	3,288,336	153,412	-	3,441,748
Equipment, furniture, and fixtures	3,041,304	284,055	(152,914)	3,172,445
Road/streets, Curb/gutters, and Driveway approaches	49,951,332	2,811,630	-	52,762,962
Bridges	467,732	62,804	-	530,536
Street lighting	975,025	81,511	-	1,056,536
Traffic signals	719,582	40,395	-	759,977
Sidewalks	2,261,001	187,267	-	2,448,268
Total Accumulated Depreciation	<u>64,410,252</u>	<u>3,930,839</u>	<u>(152,914)</u>	<u>68,188,177</u>
Capital Assets, Net of Depreciation	<u>\$ 42,757,555</u>	<u>\$ (3,848,836)</u>	<u>\$ (287,948)</u>	<u>\$ 38,620,771</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 37,444
Public safety	72,287
Public works, which includes the depreciation of infrastructure	3,664,802
Parks, recreation, and education	156,306
Total Governmental Activities Depreciation Expense	<u>\$ 3,930,839</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water Utility				
Capital Assets Not Being Depreciated:				
Land	\$ 568,259	\$ -	\$ -	\$ 568,259
Intangible plant - organizational costs	319	-	-	319
Construction in progress	103,692	89,688	-	193,380
Total Capital Assets Not Being Depreciated	672,270	89,688	-	761,958
Capital Assets Being Depreciated:				
Wells and springs	597,507	-	-	597,507
Buildings and systems	1,028,656	-	-	1,028,656
Improvements other than buildings	26,165,663	369,170	(366,789)	26,168,044
Machinery and equipment	2,156,943	26,500	(19,931)	2,163,512
Total Capital Assets Being Depreciated	29,948,769	395,670	(386,720)	29,957,719
Less Accumulated Depreciation for:				
Wells and springs	254,590	17,328	-	271,918
Buildings and systems	480,131	32,854	-	512,985
Improvements other than buildings	7,213,254	517,802	(191,446)	7,539,610
Machinery and equipment	1,178,621	100,453	(19,931)	1,259,143
Total Accumulated Depreciation	9,126,596	668,437	(211,377)	9,583,656
Capital Assets, Net of Depreciation	\$ 21,494,443	\$ (183,079)	\$ (175,343)	\$ 21,136,021
Sewer Utility				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ -	\$ 2,200	\$ -	\$ 2,200
Capital Assets Being Depreciated:				
Buildings and systems	2,135,655	-	-	2,135,655
Improvements other than buildings	28,981,039	-	-	28,981,039
Machinery and equipment	848,945	503,674	(502,841)	849,778
Total Capital Assets Being Depreciated	31,965,639	503,674	(502,841)	31,966,472
Less Accumulated Depreciation for:				
Buildings and systems	423,075	42,109	-	465,184
Improvements other than buildings	11,673,037	582,330	-	12,255,367
Machinery and equipment	546,032	68,016	(397,519)	216,529
Total Accumulated Depreciation	12,642,144	692,455	(397,519)	12,937,080
Capital Assets, Net of Depreciation	\$ 19,323,495	\$ (186,581)	\$ (105,322)	\$ 19,031,592

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	17,426,553	-	-	17,426,553
Machinery and equipment	153,834	-	(149,200)	4,634
Total Capital Assets Being Depreciated	17,580,387	-	(149,200)	17,431,187
Less Accumulated Depreciation for:				
Improvements other than buildings	5,757,453	358,876	-	6,116,329
Machinery and equipment	150,918	648	(146,932)	4,634
Total Accumulated Depreciation	5,908,371	359,524	(146,932)	6,120,963
Capital Assets, Net of Depreciation	\$ 11,726,790	\$ (359,524)	\$ (2,268)	\$ 11,364,998
Total Business-Type Activities	\$ 52,544,728	\$ (729,184)	\$ (282,933)	\$ 51,532,611

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 617,064
Sewer	743,829
Stormwater	359,524
Total Business-Type Activities Depreciation Expense	\$ 1,720,417

The difference between the depreciation expense reported for water on the income statement (\$617,064) and what is reported in the footnote (\$668,437) 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 (\$743,829) and what is reported in the footnote (\$692,455) is related to the depreciation expense allocated from water to sewer on the water meters.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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	Debt Service	\$ 483,444
General	Capital projects – Capital Improvements	114,550
General	Enterprise – sewer utility	15,657
General	Enterprise – water utility	<u>464,977</u>
Sub-Total - Fund Financial Statements		1,078,628
Less: Elimination to government-wide statements		<u>(597,994)</u>
Total Government-Wide Financial Statements		<u>\$ 480,634</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 480,634
Total Government-Wide Financial Statements		<u>\$ 480,634</u>

All of these amounts are due within one year.

The principal purpose of these interfund transactions is the payment in lieu of taxes (“PILOT”) due from the water utility to the general fund (\$464,977) and due from the sewer utility to the general fund (\$15,657), and tax roll collections that were not distributed before year-end. The amounts due from the Debt Service Fund (\$483,444) and the capital projects fund – Capital Improvements (\$114,550) 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>
Sewer utility	Stormwater utility	\$ 339,608	<u>\$ 339,608</u>
Less: Elimination to government-wide statements		<u>(339,608)</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, 2018

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	\$ 464,977	Payment in lieu of taxes
	Sewer Utility	<u>15,657</u>	Payment in lieu of taxes
	Subtotal	<u>480,634</u>	
Debt Service			
	General Fund	3,328	Debt service
	Capital Improvements	282,197	Debt service
	Refuse/Recycling	90,012	Debt service
	TIF District #1	540,075	Debt service
	CDA/TIF District #1	1,556,863	Debt service
	CDA/TIF District #2	244,333	Debt service
	Water Utility	6,431	Debt service
	Sewer Utility	6,431	Debt service
	Stormwater Utility	<u>3,328</u>	Debt service
	Subtotal	<u>2,732,998</u>	
Special Revenue – CDA/TIF District #1			
	TIF District #1	<u>48,306</u>	Operating subsidy
Capital Projects			
TIF District #1			
	TIF District #1	<u>806,359</u>	Operating subsidy
Non-major Special Revenue			
	TIF District #2	6,532	Operating subsidy
	Room Tax	40,000	Operating subsidy
	General Fund	32,464	Operating subsidy
Non-major Capital Projects			
	Room Tax	<u>77,051</u>	Capital equipment
	Subtotal	<u>156,047</u>	
Sub-Total – Fund Financial Statements		4,224,344	
Less: Elimination to government-wide statements		<u>(3,727,520)</u>	
Total		<u>\$ 496,824</u>	

Transferred From	Transferred To	Amount
Business-type activities	Governmental activities	\$ 496,824
Less: Governmental activities	Business-type activities	<u>-</u>
Total Government-Wide Financial Statements		<u>\$ 496,824</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, 2018

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 \$1,398,833. The equipment has a ten-year estimated useful life. In 2018, \$139,884 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, 2018, were as follows:

<u>Year</u>	<u>Governmental Activities</u>
2019	\$ 300,059
2020	225,542
2021	178,642
2022	<u>34,711</u>
Total minimum lease payments	738,954
Less: amount representing interest	<u>(43,083)</u>
Present value of minimum lease payments	<u>\$ 695,871</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 2018, 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, 2018, were as follows:

<u>Year</u>	<u>Governmental Activities</u>
2019	\$ 35,293
2020	<u>99,800</u>
Total minimum lease payments	135,093
Less: amount representing interest	<u>(7,463)</u>
Present value of minimum lease payments	<u>\$ 127,630</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

H. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 7,229,241	\$ 2,000,000	\$ 2,036,638	\$ 7,192,603	\$ 2,847,764
Revenue bonds	20,530,000	-	1,315,000	19,215,000	1,330,000
Add (Subtract) Deferred Amount for:					
Discounts	(12,883)	-	(2,901)	(9,982)	(2,039)
Premiums	80	-	34	46	24
Sub-Total	27,746,438	2,000,000	3,348,771	26,397,667	4,175,749
Other Liabilities:					
Vested compensated absences	149,787	167,236	175,659	141,364	-
Capital leases	1,055,938	-	360,068	695,870	278,067
Advances from developers on					
TIF District letters of credit	1,072,982	-	135,748	937,234	124,170
Total Other Liabilities	2,278,707	167,236	671,475	1,774,468	402,237
Total Governmental Activities Long-Term Liabilities	\$ 30,025,145	\$ 2,167,236	\$ 4,020,246	\$ 28,172,135	\$ 4,577,986
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation debt	\$ 142,686	\$ -	\$ 102,741	\$ 39,945	\$ 39,945
Revenue bonds	4,840,000	4,475,000	3,810,000	5,505,000	775,000
Add (Subtract) Deferred Amount for:					
Discounts	(36,237)	-	(31,144)	(5,093)	(2,351)
Sub-Total	4,946,449	4,475,000	3,881,597	5,539,852	812,594
Other Liabilities:					
Vested compensated absences	19,040	34,006	30,198	22,848	-
Total Other Liabilities	19,040	34,006	30,198	22,848	-
Total Business-Type Activities Long-Term Liabilities	\$ 4,965,489	\$ 4,509,006	\$ 3,911,795	\$ 5,562,700	\$ 812,594

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018, was \$59,662,930. Total general obligation debt outstanding at year-end was \$7,232,548.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/18
GOVERNMENTAL ACTIVITIES					
General Obligation Debt					
General Obligation Promissory Notes, 2018A	8/27/2018	8/27/2021	3.28%	\$ 2,000,000	\$ 2,000,000
General Obligation Promissory Notes, 2016	10/10/2016	10/10/2021	2.15%	433,500	219,600
General Obligation Promissory Notes, Series 2016	4/11/2016	4/11/2019	1.86%	1,700,000	1,500,000
General Obligation Promissory Notes, Series 2013A	9/26/2013	9/26/2023	2.43%	870,000	434,697
Taxable General Obligation Promissory Notes, Series 2013B	9/24/2013	9/24/2021	3.99%	845,000	316,367
Taxable General Obligation Promissory Notes, Series 2010B	12/21/2010	12/1/2020	1.15 – 4.35%	5,400,000	2,465,000
State Trust Fund Loan, Series 2009	8/21/2009	3/15/2019	4.50%	2,163,431	<u>256,939</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 7,192,603</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 12/31/18
BUSINESS-TYPE ACTIVITIES					
General Obligation Debt					
State Trust Fund Loan,					
Series 2005	10/17/2005	3/15/2015	4.25%	824,601	\$ 39,945
Total Business-Type Activities – General Obligation Debt					\$ 39,945

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
2019	\$ 2,847,764	\$ 224,523	\$ 3,072,287	\$ 39,945	\$ 1,798	\$ 41,743
2020	2,565,064	177,744	2,742,808	-	-	-
2021	1,606,078	28,947	1,635,025	-	-	-
2022	87,000	4,287	91,287	-	-	-
2023	86,697	2,143	88,840	-	-	-
Totals	\$ 7,192,603	\$ 437,644	\$ 7,630,247	\$ 39,945	\$ 1,798	\$ 41,743

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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, 2018 consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Indebted- ness</u>	<u>Balance 12/31/18</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	\$18,125,000
Community Development Authority					
Lease Revenue Bonds, Series 2005C	4/15/2005	10/1/2020	2.80 – 4.65%	920,000	165,000
Community Development Authority					
Lease Revenue Bonds, Series 2004B	8/9/2004	10/1/2025	3.00 – 4.75%	1,815,000	<u>925,000</u>
Total Governmental Activities – Revenue Debt					<u>\$ 19,215,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Indebted- ness</u>	<u>Balance 12/31/18</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	\$ 1,030,000
Water System Revenue Bonds,					
Series 2018B	11/1/2018	5/1/2038	2.10 – 3.90%	2,585,000	2,585,000
Stormwater Revenue Bonds,					
Series 2018C	11/1/2018	11/1/2027	2.15 – 3.00%	1,890,000	<u>1,890,000</u>
Total Business-Type Activities – Revenue Debt					<u>\$ 5,505,000</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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
2019	\$ 1,330,000	\$ 463,818	\$ 1,793,818	\$ 775,000	\$ 616,089	\$ 1,391,089
2020	1,350,000	439,032	1,789,032	805,000	572,250	1,377,250
2021	1,285,000	412,385	1,697,385	830,000	520,915	1,350,915
2022	1,310,000	387,950	1,697,950	350,000	479,615	829,615
2023	1,340,000	361,125	1,701,125	355,000	444,215	799,215
2024-2028	6,735,000	1,340,998	8,075,998	1,420,000	1,616,631	3,036,631
2029-2033	5,865,000	394,315	6,259,315	440,000	534,823	974,823
2034-2038	-	-	-	530,000	52,295	582,295
Totals	<u>\$ 19,215,000</u>	<u>\$ 3,799,623</u>	<u>\$ 23,014,623</u>	<u>\$ 5,505,000</u>	<u>\$ 4,836,833</u>	<u>\$ 10,341,833</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 November 20, 2018 the Water Utility issued \$2,585,000 in revenue bonds Series B (with interest rates of 2.10 - 3.90%). Of the total amount, \$1,040,000 was used to current refund outstanding revenue bonds dated January 2006, \$1,535,673 was used for new projects.

The cash flow requirement on the refunded debt prior to the current refunding was \$1,164,096 from 2019 through 2025. The cash flow requirements on the 2018 Series B bonds are \$960,109 from 2019 through 2025. 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 \$8,523.

On November 20, 2018 the Stormwater Utility issued \$1,890,000 in revenue bonds Series B (with interest rates of 2.15 - 3.00%). to current refund outstanding revenue bonds dated December 2007.

The cash flow requirement on the refunded debt prior to the current refunding was \$2,326,035 from 2018 through 2027. The cash flow requirements on the 2018 Series C bonds are \$2,147,919 from 2019 through 2027. 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 \$17,511.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

H. 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, 2018 includes the following:

Net Investment in Capital Assets:	
Land	\$ 6,155,218
Right-of-ways	659,475
Construction in progress	28,640
Other capital assets, net of accumulated depreciation	31,777,438
Less: related long-term debt outstanding, discount and premium, and loss net of debt used for utility asset contributions (\$6,463,264)	(\$18,351,124)
Add: unspent debt proceeds	<u>-</u>
Total Net Investment in Capital Assets	<u>20,269,647</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>293,576</u>
Total Restricted	<u>2,115,187</u>
Unrestricted (deficit):	<u>(3,714,107)</u>
Total Governmental Activities Net Position – December 31, 2018	<u>\$18,670,727</u>

Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2018, include the following:

Major Funds – Details of Fund Balance:

Nonspendable:

General Fund	
Prepaid items/inventories	\$ 449,138
Due from SAFER	<u>651,454</u>
Total Nonspendable	<u>\$ 1,100,592</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, 2018

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	46,000
Special Revenue Fund – TIF District #1	1,362,495
Special Revenue Fund – CDA TIF District #1	<u>22,082</u>
Total Assigned	<u>\$ 1,438,077</u>

Unassigned:

General Fund	\$ 1,742,708
Debt Service Fund	<u>(483,444)</u>
Total Unassigned	<u>\$ 1,259,264</u>

Non-Major Funds – Details of Fund Balance:

Restricted:

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

Committed:

Special Revenue Fund – Room Tax	\$ 40,684
Special Revenue Fund – Civic and Social	<u>5,656</u>
Total Committed	<u>\$ 46,340</u>

Assigned:

Special Revenue Fund – Aquatic Center	\$ 58,101
Special Revenue Fund – Refuse/Recycling	16,866
Special Revenue Fund – Civic and Social	4,150
Special Revenue Fund – Park and Recreation	22,425
Special Revenue Fund – TIF District #2	214,719
Special Revenue Fund – CDA - TIF District #2	6,288
Special Revenue Fund – Room Tax	<u>97,001</u>
Total Assigned	<u>\$ 419,550</u>

Unassigned:

Capital Project Fund – Capital Improvements	<u>\$ (89,550)</u>
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VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater Utility</u>	<u>Total</u>
Plant in Service	\$ 30,526,297	\$ 31,966,472	\$ 17,485,961	\$ 79,978,730
Accumulated Depreciation	(9,583,656)	(12,937,080)	(6,120,963)	(28,641,699)
Construction in Progress	193,380	2,200	-	195,580
	<u>21,136,021</u>	<u>19,031,592</u>	<u>11,364,998</u>	<u>51,532,611</u>
Sub-Total				
Less: Capital Related Debt				
Current portion of capital related long-term debt	260,000	325,000	229,945	814,945
Long-term portion of capital related long-term debt	2,325,000	705,000	1,700,000	4,730,000
Unamortized loss on refunding	(8,302)	(42,596)	(17,184)	(68,082)
Unamortized discounts on bonds	-	(5,094)	-	(5,094)
	<u>2,576,698</u>	<u>982,310</u>	<u>1,912,761</u>	<u>5,471,769</u>
Sub-Total				
Add: Unspent Debt Proceeds				
Reserve from borrowing	213,154	518,281	189,000	920,435
Reserve from revenue bond construction account	-	383,252	-	383,252
	<u>213,154</u>	<u>901,533</u>	<u>189,000</u>	<u>1,303,687</u>
Sub-Total				
Total Net Investment in Capital Assets	<u>\$ 18,772,477</u>	<u>\$ 18,950,815</u>	<u>\$ 9,641,237</u>	<u>\$ 47,364,529</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

General Information about the Pension Plan (cont.)

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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and & Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as 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 \$94,250 in contributions from the Village and \$42,523 from the Utilities.

Contributions rates as of December 31, 2018 are:

	<u>Employee</u>	<u>Employer</u>
General (including executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	10.60%
Protective without Social Security	6.80%	14.9%

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%
2017	2.00%	4.00%

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

At December 31, 2018, the Village reported an asset of \$293,576 for its proportionate share of the net pension asset. The Utilities reported an asset of \$129,054. Total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Employer’s proportion of the net pension asset was based on its share of contributions to the pension plan relative to the contributions of all participating employers.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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.)

At December 31, 2017, the Employer's proportion was .01423421%, which was a decrease of .00051274% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$143,753. The Utilities recognized pension expense of \$63,236.

At December 31, 2018, the Village and Utility 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	\$ 536,962	\$ 251,173
Changes in Assumptions	83,503	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	580,866
Change in Proportion and Differences Between Contributions and Disproportionate share of Contributions	51,789	-
Contributions Subsequent to the Measurement Date	<u>139,192</u>	<u>-</u>
Total	<u>\$811,446</u>	<u>\$ 832,039</u>

\$96,669 reported as deferred outflows of resources related to pensions resulting from Village contributions and \$42,523 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, 2019. 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>
2019	\$314,415	\$276,956
2020	276,378	276,956
2021	100,841	203,098
2022	88,688	170,952
Thereafter	706	0

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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>
2019	\$ 138,306	\$106,374
2020	121,575	106,374
2021	44,359	78,006
2022	39,013	65,659
Thereafter	310	0

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

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair 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, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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, 2018

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.)

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class:</u>			
Global Equities	50.0%	8.2%	5.3%
Fixed Income	24.5%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	3.8%	1.0%
Real Estate	8.0%	6.5%	3.6%
Private Equity/Debt	8.0%	9.4%	6.5%
Multi-Asset	4.0%	6.5%	3.6%
Total Core Fund	110.0%	7.3%	4.4%
<u>Variable Fund Asset Class:</u>			
U.S Equities	70.0%	7.5%	4.6%
International Equities	30.0%	7.8%	4.9%
Total Variable Fund	100.0%	7.9%	5.0%

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

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Village's Proportionate Share of the Net Pension Liability (Asset)	\$790,046	\$(305,350)	\$ (1,137,885)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$303,443	\$(117,280)	\$ (437,043)

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>.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

Payables to the Pension Plan

At December 31, 2018 the Village reported payables to WRS of \$21,998 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

B. OTHER POSTEMPLOYMENT BENEFITS

For the year ended December 31, 2018 the Village implemented GASB Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*. In the current year, the Local Retiree Life Insurance Fund (LRLIF), a multiple employer defined benefit OPEB plan, completed an actuarial study under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans*, which identified a net OPEB liability for the Plan. The Village recorded its proportionate share of this liability as of December 31, 2016 as a cumulative effect of change in accounting principle in the 2018 government-wide financial statements.

General Information about the Local Retiree Life Insurance Fund

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

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

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

Contributions.

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

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

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40%of employee contribution
25% Post Retirement Coverage	20%of employee contribution

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

General Information about the Local Retiree Life Insurance Fund (cont.)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates
For the year ended December 31, 2018

Attained Age	Basic
Under 30	\$.05
30-34	.06
35-39	.07
40-44	.08
45-49	.12
50-54	.22
55-59	.39
60-64	.49
65-69	.57

During the reporting period, the LRLIF recognized \$737 in contributions from the employer, \$511 from the Village contributions, \$226 in Utility contributions.

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

At December 31, 2018, the Village reported a liability of \$81,056 for its proportionate share of the net OPEB liability and the Utility reported a liability of \$35,740. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village’s proportion of the net OPEB liability (asset) was based on the employer’s share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, Employer’s proportion was .03882100%, which was an increase of .003469% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$9,360 and the Utilities recognized \$4,117.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

At December 31, 2018, the Village and Utility reported deferred outflows of resources and deferred inflows of resources related to OPEBs 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	\$ -	\$ 1,646
Changes in assumptions	11,286	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,345	-
Changes in Proportion and Differences Between Contributions and Proportionate share of Contributions	7,304	-
Contributions Subsequent to the Measurement Date	<u>9,373</u>	<u>-</u>
Total	<u>\$ 29,308</u>	<u>\$ 1,646</u>

\$9,373 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2018. Other amounts related to the Village reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 2,210	\$ 182
2020	2,210	182
2021	2,210	182
2022	2,210	182
Thereafter	5,006	460

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

<u>Year ended December 31</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 972	\$ 70
2020	972	70
2021	972	70
2022	972	70
Thereafter	2,201	178

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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

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

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

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

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

B. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (cont.)

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

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

	1% Decrease to Discount Rate <u>(2.63%)</u>	Current Discount Rate <u>(3.63%)</u>	1% Increase to Discount Rate <u>(4.63%)</u>
Village’s Proportionate Share of the Net OPEB Liability	\$119,268	\$84,386	\$ 57,616
Utilities’ Proportionate Share of the Net OPEB Liability	\$45,809	\$32,410	\$ 22,129

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

C. 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.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

D. 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.

E. 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, 2018

NOTE V – OTHER INFORMATION (cont.)

F. 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 2018 is for the Village of Weston to pay 77.18%, the Town of Weston to pay 3.99%, and the City of Schofield to pay 18.83% of the actual expenditures. The municipal court’s current cost proration for 2018 is for the Village of Weston to pay 72.51%, the Town of Weston to pay 1.90%, and the City of Schofield to pay 25.59%. The 2018 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 \$2,541,521 in 2018 for the operations of the EMPD and \$60,013 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, 2018, which are the most recently audited financial statements, is as follows:

Assets	
Current assets	\$975,290
Net pension asset	566,649
Capital assets, net of depreciation	243,789
Total assets	<u>\$1,785,728</u>
Deferred Outflows of Resources	
Proportionate share of WRS pension plan	\$841,053
Pension contributions for subsequent year	226,589
Proportionate share of other postemployment benefit	11,103
Other postemployment benefit contributions for subsequent year	2,788
Total deferred outflows of resources	<u>\$1,081,533</u>
Liabilities	
Current liabilities	\$ 200,188
Net postemployment benefit liability	77,474
Noncurrent portion of long-term obligations	101,472
Total liabilities	<u>\$ 379,134</u>
Deferred Inflows of Resources	
Proportionate share of WRS pension plan	\$1,118,421
Other postemployment related amounts	1,092
Total deferred inflows of resources	<u>\$1,119,513</u>
Net Position	
Net investment in capital assets	\$ 243,789
Restricted for postemployment benefits	451,195
Unrestricted	673,630
Total net position	<u>\$1,368,614</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

F. JOINT VENTURES (cont.)
Everest Metro Public Safety (cont.)

Revenue	
Received from Village of Weston	\$2,601,534
Received from City of Schofield	641,248
Received from Town of Weston	116,573
Other revenue	<u>287,601</u>
Total revenue	3,646,956
Expenses	
	<u>3,655,230</u>
Change in net position	<u>\$ (8,274)</u>

The financial and payroll administration of the EMPS is performed by the employees of the Village of Weston. In 2018, the EMPD paid the Village \$35,000 for administrative services.

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 2018 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 \$743,585 in 2018 for the operations and \$117,260 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, 2018, which are the most recently audited financial statements, is as follows:

Assets	
Current assets	\$ 494,905
Net pension asset	215,233
Capital assets, net of depreciation	<u>2,853,211</u>
Total assets	<u>\$3,563,349</u>
Deferred Outflows of Resources	
WRS pension plan	\$ 680,923
Other postemployment benefit	4,794
Total deferred outflows of resources	<u>\$ 685,717</u>
Liabilities	
Current liabilities	\$1,367,231
Noncurrent portion of long-term obligations	<u>373,899</u>
Total liabilities	<u>\$1,741,130</u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

F. JOINT VENTURES (cont.)

South Area Fire & Emergency Response District (cont.)

Deferred Inflows of Resources

WRS pension plan	\$ 773,769
Other postemployment benefit	<u>3,158</u>
Total deferred inflows of resources	<u>\$ 776,927</u>

Net Position

Net investment in capital assets	\$2,423,926
Restricted for other activities	215,233
Unrestricted	<u>(908,150)</u>
Total net position	<u>\$1,731,009</u>

Revenue

Received from Village of Weston	\$860,845
Received from Town of Rib Mountain	501,163
Received from other municipalities	173,756
Other revenue	<u>1,011,055</u>
Total revenue	2,546,819

Expenses

2,871,045

Change in net position \$(324,226)

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE V – OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS

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

On May 1, 2019 the Village issued General Obligation Promissory Notes, Series 2019A in the amount of \$5,310,000 to fund new projects and refund 2016 Series A Note.

H. 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 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>
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	1,540,463	160,663	1,701,126
2024-2028	7,759,860	316,138	8,075,998
2029-2031	<u>6,259,315</u>	<u>-</u>	<u>6,259,315</u>
Total	<u>\$21,730,008</u>	<u>\$1,284,615</u>	<u>\$23,014,623</u>

The rental expense for the year ended December 31, 2018, was \$1,556,863 for TIF District #1 and \$244,333 for TIF District #2.

I. CHANGE IN ACCOUNTING PRINCIPLE

The change in accounting principles adjustment of \$59,566 on the statement of activities and \$26,264 on the statement of revenues, expenses and changes in net position - proprietary funds are due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION
NET PENSION ASSET
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended December 31, 2018

<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%
2017	136,773	136,773	-	2,011,378	6.80%

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
For the Year Ended December 31, 2018

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%
2017	0.01423421%	121,550	(422,630)	2,011,378	21.01%	102.93%

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.

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION
NET OPEB LIABILITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Year Ended December 31, 2018

<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>
2017	\$ 737	\$ 737	\$ -	\$ 1,632,534	0.05%

VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION
 NET OPEB LIABILITY
 SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF
 NET OPEB LIABILITY (ASSET)
 For the Year Ended December 31, 2018

<u>Fiscal Year Ending</u>	<u>Proportion of Net OPEB Liability (Asset)</u>	<u>Beginning Balance of Net OPEB Liability (Asset)</u>	<u>Ending Balance of Net OPEB Liability (Asset)</u>	<u>Total Payroll</u>	<u>Ending Net OPEB Liability (Asset) as a Percentage of Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)</u>
12/31/2017	0.03882100%	\$ 85,830	\$ 116,796	\$ 1,632,534	7.15%	44.81%

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The Village of Weston implemented GASB Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 9 proceeding years.

NOTE B - LOCAL RETIREE LIFE INSURANCE FUND

There were no changes of benefit terms or assumptions for any participating employer in the local retiree life insurance fund.

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, 2018

<i>REVENUES</i>	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
TAXES				
General property taxes	\$4,000,047	\$4,000,047	\$4,002,637	\$ 2,590
Mobile home taxes	45,000	45,000	39,295	(5,705)
Other tax revenue	2,140	2,140	7,740	5,600
Utility tax - Village of Rothschild	93,998	93,998	113,508	19,510
Total Taxes	4,141,185	4,141,185	4,163,180	21,995
INTERGOVERNMENTAL REVENUES				
State shared revenues	1,044,878	1,044,878	1,061,548	16,670
Highway maintenance aids	597,021	597,021	597,021	-
Fire insurance tax	45,000	45,000	44,278	(722)
Act 102 EMS	7,300	7,300	-	(7,300)
Other state and federal grants	104,852	104,852	104,286	(566)
Total Intergovernmental Revenues	1,799,051	1,799,051	1,807,133	8,082
LICENSES AND PERMITS				
Licenses				
Liquor and malt beverage	22,000	22,000	33,655	11,655
Cable franchise	173,000	173,000	170,746	(2,254)
Operators/amusement	18,850	18,850	17,865	(985)
Cigarette	1,100	1,100	1,300	200
Sundry	11,915	11,915	9,014	(2,901)
Pets - dogs and cats	20,700	20,700	20,105	(595)
Permits				
Building & electrical	113,475	113,475	117,487	4,012
Zoning	5,600	5,600	6,055	455
Road excavation	1,600	1,600	4,500	2,900
Sundry	1,000	1,000	575	(425)
Total Licenses and Permits	369,240	369,240	381,302	12,062
FINES AND FORFEITURES				
	96,200	96,200	134,793	38,593
SPECIAL ASSESSMENTS				
	\$ 5,500	\$ 5,500	\$ 7,420	\$ 1,920

VILLAGE OF WESTON

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)
 - BUDGET AND ACTUAL -
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
CHARGES FOR SERVICES				
General government	\$ 8,330	\$ 308,330	\$ 307,505	\$ (825)
Police	35,000	35,000	35,000	-
Ambulance/EMS	-	-	743	743
Inspection services	1,000	1,000	-	(1,000)
Highways and streets	39,100	39,100	58,380	19,280
Rental of village property	5,000	5,000	5,034	34
Park and recreation	7,050	7,050	5,944	(1,106)
Economic development	100	100	60	(40)
Total Charges for Services	<u>95,580</u>	<u>395,580</u>	<u>412,666</u>	<u>17,086</u>
INVESTMENT EARNINGS AND MISCELLANEOUS				
Investment earnings	58,000	58,000	45,556	(12,444)
Insurance recoveries	12,000	12,000	10,485	(1,515)
Miscellaneous general revenues	25,300	25,300	43,291	17,991
Total Investment Earnings and Miscellaneous	<u>95,300</u>	<u>95,300</u>	<u>99,332</u>	<u>4,032</u>
Total Revenues	<u>6,602,056</u>	<u>6,902,056</u>	<u>7,005,826</u>	<u>103,770</u>
OTHER FINANCING SOURCES				
Transfers from				
Water utility fund - payment in lieu of taxes	470,000	470,000	464,977	(5,023)
Sewer utility fund - payment in lieu of taxes	-	-	15,657	15,657
Total Transfers	<u>470,000</u>	<u>470,000</u>	<u>480,634</u>	<u>10,634</u>
Total Other Financing Sources	<u>470,000</u>	<u>470,000</u>	<u>480,634</u>	<u>10,634</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$7,072,056</u>	<u>\$7,372,056</u>	<u>\$7,486,460</u>	<u>\$ 114,404</u>

VILLAGE OF WESTON

GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - For the Year Ended December 31, 2018

<i>EXPENDITURES</i>	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
GENERAL GOVERNMENT				
Village board	\$ 40,679	\$ 40,679	\$ 39,947	\$ 732
Village municipality dues/memberships	8,030	8,030	5,714	2,316
Administrator	76,911	76,911	152,478	(75,567)
Clerk's office	318,129	318,129	284,386	33,743
Personnel/human resources	7,500	7,500	2,688	4,812
Elections	55,877	55,877	45,798	10,079
Municipal court	60,013	60,013	60,013	-
Village attorney	25,000	75,000	72,388	2,612
Village assessor	34,000	34,000	32,627	1,373
Finance/audit and budget	179,033	179,033	142,222	36,811
Tax collection	18,958	18,958	13,564	5,394
Risk management/insurance	89,080	89,080	72,546	16,534
Data processing/central services	142,320	142,320	153,947	(11,627)
Information technology	61,115	61,115	56,909	4,206
Board of review	400	400	29	371
Finance committee	2,411	2,411	1,036	1,375
Personnel committee	1,567	1,567	993	574
Municipal building	58,350	58,350	42,272	16,078
Tax refunds/Bad Debt	2,000	2,000	30,701	(28,701)
Newsletter	24,500	24,500	27,420	(2,920)
Capital outlay - General Government	29,000	29,000	16,233	12,767
Total General Government	1,234,873	1,284,873	1,253,911	30,962
PUBLIC SAFETY				
Police department				
Administration/operations	2,541,521	2,541,521	2,541,521	-
Fire department				
SAFER District	743,585	743,585	743,585	-
Public safety building maintenance	8,800	8,800	1,864	6,936
Public safety committee	1,181	1,181	518	663
Public safety warning sirens	2,700	2,700	1,017	1,683
Building inspections	192,170	192,170	179,005	13,165
Weights and measures	3,400	3,400	3,200	200
Total Public Safety	3,493,357	3,493,357	3,470,710	22,647

VILLAGE OF WESTON

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)
 - BUDGET AND ACTUAL -
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
PUBLIC WORKS				
Administration	\$ 22,549	22,549	\$ 18,352	\$ 4,197
Engineering	30,324	30,324	25,319	5,005
Road and street maintenance	1,192,215	1,174,365	1,080,322	94,043
Street irrigation maintenance	36,171	36,171	48,640	(12,469)
Snow and ice control	337,307	421,307	457,505	(36,198)
Street lighting	178,000	178,000	190,102	(12,102)
Traffic control	32,500	32,500	28,787	3,713
Mowing	25,989	25,989	36,566	(10,577)
Public infrastructure committee	1,094	1,094	715	379
Capital outlay - Public Works	-	-	15,510	(15,510)
Total Public Works	<u>1,856,149</u>	<u>1,922,299</u>	<u>1,901,818</u>	<u>20,481</u>
HEALTH AND HUMAN SERVICES				
County humane animal shelter	<u>15,275</u>	<u>15,275</u>	<u>12,800</u>	<u>2,475</u>
PARKS, RECREATION, AND EDUCATION				
Administration	209,541	221,671	214,784	6,887
Park maintenance	124,480	130,200	135,528	(5,328)
Ice rinks	7,417	7,417	4,790	2,627
Parks and recreation committee	1,517	1,517	1,028	489
Total Parks, Recreation, and Education	<u>342,955</u>	<u>360,805</u>	<u>356,130</u>	<u>4,675</u>
COMMUNITY DEVELOPMENT				
Administration	165,511	165,511	162,737	2,774
Planning commission	9,648	9,648	3,235	6,413
Board of appeals	2,572	2,572	329	2,243
Extraterritorial limits committee	1,803	1,803	862	941
Smart growth/Land use	10,400	10,400	8,140	2,260
Total Community Development	<u>189,934</u>	<u>189,934</u>	<u>175,303</u>	<u>14,631</u>

VILLAGE OF WESTON

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)
 - BUDGET AND ACTUAL -
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER				
Contingency reserve	\$ 57,860	\$ 223,860	\$ -	\$ 223,860
Total Expenditures	7,190,403	7,490,403	7,170,672	319,731
OTHER FINANCING USES				
Transfers To				
Debt service	3,328	3,328	3,328	-
Refuse / recycling	28,325	28,325	32,464	(4,139)
Total Other Financing Uses	31,653	31,653	35,792	(4,139)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$7,222,056	\$7,522,056	\$7,206,464	\$ 315,592

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,082,332	\$ 82,332
Intergovernmental	64,400	64,400	65,652	1,252
Investment earnings and miscellaneous	-	-	4,908	4,908
Total Revenues	<u>5,064,400</u>	<u>5,064,400</u>	<u>5,152,892</u>	<u>88,492</u>
EXPENDITURES				
Current				
General government	-	-	21,295	(21,295)
Community development	1,782,923	1,782,923	1,790,376	(7,453)
Debt service				
Principal retirement	125,000	125,000	135,748	(10,748)
Interest and fiscal charges	-	-	29,073	(29,073)
Total Expenditures	<u>1,907,923</u>	<u>1,907,923</u>	<u>1,976,492</u>	<u>(68,569)</u>
Excess of revenues over expenditures	<u>3,156,477</u>	<u>3,156,477</u>	<u>3,176,400</u>	<u>19,923</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	35,000	-	(35,000)
Transfers out	(540,076)	(540,076)	(1,394,740)	(854,664)
Total Other Financing Sources (Uses)	<u>(505,076)</u>	<u>(505,076)</u>	<u>(1,394,740)</u>	<u>(889,664)</u>
Net Change in Fund Balance	2,651,401	2,651,401	1,781,660	(869,741)
FUND BALANCE (DEFICIT) - Beginning	<u>(419,165)</u>	<u>(419,165)</u>	<u>(419,165)</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 2,232,236</u>	<u>\$ 2,232,236</u>	<u>\$ 1,362,495</u>	<u>\$ (869,741)</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Charges for services	\$ 1,556,863	\$ 1,556,863	\$ 1,556,863	\$ -
Investment earnings and miscellaneous	10,000	10,000	(21,539)	(31,539)
Total Revenues	<u>1,566,863</u>	<u>1,566,863</u>	<u>1,535,324</u>	<u>(31,539)</u>
EXPENDITURES				
Current				
Community development	4,500	4,500	2,417	2,083
Debt service				
Interest and fiscal charges	4,000	4,000	2,268	1,732
Total Expenditures	<u>8,500</u>	<u>8,500</u>	<u>4,685</u>	<u>3,815</u>
Excess of revenues over expenditures	<u>1,558,363</u>	<u>1,558,363</u>	<u>1,530,639</u>	<u>(27,724)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	48,306	48,306
Transfers out	(1,558,363)	(1,558,363)	(1,556,863)	1,500
Total Other Financing Sources (Uses)	<u>(1,558,363)</u>	<u>(1,558,363)</u>	<u>(1,508,557)</u>	<u>49,806</u>
Net Change in Fund Balance	-	-	22,082	22,082
FUND BALANCE - Beginning	<u>1,570,358</u>	<u>1,570,358</u>	<u>1,570,358</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,570,358</u>	<u>\$ 1,570,358</u>	<u>\$ 1,592,440</u>	<u>\$ 22,082</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, 2018

	<u>Debt Service Fund</u>
ASSETS	
CASH AND INVESTMENTS	<u>\$ -</u>
RECEIVABLES	
Taxes	1,300,206
Special assessments	<u>75,732</u>
Total Receivables	<u>1,375,938</u>
TOTAL ASSETS	<u><u>\$ 1,375,938</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Due to General Fund	<u>\$ 483,444</u>
Total Liabilities	<u>483,444</u>
DEFERRED INFLOWS OF RESOURCES	
Succeeding year's property taxes	1,300,206
Special assessments	<u>75,732</u>
Total Deferred Inflows of Resources	<u>1,375,938</u>
FUND BALANCE	
Unrestricted (deficit)	<u>(483,444)</u>
Total Fund Balance	<u>(483,444)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 1,375,938</u></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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ -
Intergovernmental	14,054	14,054	16,521	2,467
Special assessments	53,800	53,800	57,536	3,736
Investment earnings and miscellaneous	7,613	7,613	7,119	(494)
Total Revenues	<u>1,625,467</u>	<u>1,625,467</u>	<u>1,631,176</u>	<u>5,709</u>
EXPENDITURES				
Debt service				
Principal retirement	3,710,834	3,710,834	3,711,705	(871)
Interest and fiscal charges	756,494	756,494	756,344	150
Total Expenditures	<u>4,467,328</u>	<u>4,467,328</u>	<u>4,468,049</u>	<u>(721)</u>
Deficiency of revenues over expenditures	<u>(2,841,861)</u>	<u>(2,841,861)</u>	<u>(2,836,873)</u>	<u>4,988</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,732,999</u>	<u>2,732,999</u>	<u>2,732,998</u>	<u>(1)</u>
Net Change in Fund Balance	(108,862)	(108,862)	(103,875)	4,987
FUND BALANCE (DEFICIT) - Beginning	<u>(379,569)</u>	<u>(379,569)</u>	<u>(379,569)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (488,431)</u>	<u>\$ (488,431)</u>	<u>\$ (483,444)</u>	<u>\$ 4,987</u>

OTHER MAJOR FUNDS

MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

CAPITAL PROJECTS FUNDS

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

Included in the Major Governmental Funds are:

TAX INCREMENTAL FINANCING (TIF) DISTRICT #1

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

VILLAGE OF WESTON

TIF DISTRICT #1 - CAPITAL PROJECTS FUND (MAJOR FUND)
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Investment earnings and miscellaneous	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital improvements	123,000	2,123,000	2,778,584	(655,584)
Deficiency of revenues over expenditures	(123,000)	(2,123,000)	(2,778,584)	(655,584)
OTHER FINANCING SOURCES (USES)				
Bonds/notes issued	-	2,000,000	2,000,000	-
Transfers in	-	-	806,359	806,359
Total Other Financing Sources (Uses)	-	2,000,000	2,806,359	806,359
Net Change in Fund Balance	(123,000)	(123,000)	27,775	150,775
FUND BALANCE (DEFICIT) - Beginning	(27,775)	(27,775)	(27,775)	-
FUND BALANCE (DEFICIT) - Ending	<u>\$ (150,775)</u>	<u>\$ (150,775)</u>	<u>\$ -</u>	<u>\$ 150,775</u>

NONMAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS AND BUDGETARY COMPARISONS

SPECIAL REVENUE FUNDS

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

REFUSE / RECYCLING

To account for the receipt of State 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 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:

CAPITAL IMPROVEMENTS

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

VILLAGE OF WESTON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2018

ASSETS	Special Revenue Funds		
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2
CASH AND INVESTMENTS	<u>\$ 79,673</u>	<u>\$ 376,916</u>	<u>\$ -</u>
RECEIVABLES			
Taxes	769,202	270,611	-
Intergovernmental receivables	-	-	-
Accrued interest	-	-	2,049
Other	-	-	-
Total Receivables	<u>769,202</u>	<u>270,611</u>	<u>2,049</u>
RESTRICTED CASH AND INVESTMENTS	<u>-</u>	<u>-</u>	<u>255,492</u>
TOTAL ASSETS	<u>\$ 848,875</u>	<u>\$ 647,527</u>	<u>\$ 257,541</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 62,102	\$ 4,816	\$ -
Other accrued liabilities	705	337	-
Intergovernmental payables	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>62,807</u>	<u>5,153</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year's property taxes	769,202	427,655	-
Total deferred inflows of resources	<u>769,202</u>	<u>427,655</u>	<u>-</u>
FUND BALANCES (DEFICIT)			
Restricted	-	-	251,253
Committed	-	-	-
Assigned	16,866	214,719	6,288
Unassigned	-	-	-
Total Fund Balances (Deficit)	<u>16,866</u>	<u>214,719</u>	<u>257,541</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 848,875</u>	<u>\$ 647,527</u>	<u>\$ 257,541</u>

<u>Special Revenue Funds</u>			
<u>Aquatic Center</u>	<u>Room Taxes</u>	<u>Civic and Social</u>	<u>Park and Recreation</u>
<u>\$ 62,231</u>	<u>\$ 120,099</u>	<u>\$ 9,956</u>	<u>\$ 22,425</u>
40,000	-	-	-
-	-	-	-
-	-	-	-
-	91,844	-	-
<u>40,000</u>	<u>91,844</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>\$ 102,231</u>	<u>\$ 211,943</u>	<u>\$ 9,956</u>	<u>\$ 22,425</u>
\$ 3,990	\$ 74,258	\$ 150	\$ -
-	-	-	-
7	-	-	-
-	-	-	-
133	-	-	-
<u>4,130</u>	<u>74,258</u>	<u>150</u>	<u>-</u>
40,000	-	-	-
<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	40,684	5,656	-
58,101	97,001	4,150	22,425
-	-	-	-
<u>58,101</u>	<u>137,685</u>	<u>9,806</u>	<u>22,425</u>
<u>\$ 102,231</u>	<u>\$ 211,943</u>	<u>\$ 9,956</u>	<u>\$ 22,425</u>

VILLAGE OF WESTON

Continued from
Previous Page

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)
December 31, 2018

ASSETS	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Improvements</u>	
CASH AND INVESTMENTS	\$ -	\$ 671,300
RECEIVABLES		
Taxes	93,326	1,173,139
Intergovernmental receivables	25,000	25,000
Accrued interest	-	2,049
Other	-	91,844
Total Receivables	<u>118,326</u>	<u>1,292,032</u>
RESTRICTED CASH AND INVESTMENTS	-	255,492
 TOTAL ASSETS	 <u>\$ 118,326</u>	 <u>\$ 2,218,824</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ -	\$ 145,316
Other accrued liabilities	-	1,042
Intergovernmental payables	-	7
Due to other funds	114,550	114,550
Unearned revenue	-	133
Total Liabilities	<u>114,550</u>	<u>261,048</u>
DEFERRED INFLOWS OF RESOURCES		
Succeeding year's property taxes	93,326	1,330,183
Total Deferred Inflows of Resources	<u>93,326</u>	<u>1,330,183</u>
FUND BALANCES (DEFICIT)		
Restricted	-	251,253
Committed	-	46,340
Assigned	-	419,550
Unassigned	(89,550)	(89,550)
Total Fund Balances (Deficit)	<u>(89,550)</u>	<u>627,593</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 118,326</u>	 <u>\$ 2,218,824</u>

VILLAGE OF WESTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue Funds		
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2
REVENUES			
Taxes	\$ -	\$ 393,993	\$ -
Intergovernmental	80,235	11,661	-
Licenses and permits	-	-	-
Charges for services	800,876	-	244,333
Contributions and donations	-	-	-
Investment earnings and miscellaneous	291	370	2,586
Total Revenues	<u>881,402</u>	<u>406,024</u>	<u>246,919</u>
EXPENDITURES			
Current			
Public works	808,754	-	-
Parks, recreation, and education	-	-	-
Community development	-	353,886	1,680
Capital improvements	-	-	-
Debt service			
Interest and fiscal charges	-	-	1,150
Total Expenditures	<u>808,754</u>	<u>353,886</u>	<u>2,830</u>
Excess (deficiency) of revenues over expenditures	<u>72,648</u>	<u>52,138</u>	<u>244,089</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	32,464	-	6,532
Transfers out	(90,012)	(6,532)	(244,333)
Sale of village properties	-	-	-
Total Other Financing Sources (Uses)	<u>(57,548)</u>	<u>(6,532)</u>	<u>(237,801)</u>
Net Change in Fund Balances	15,100	45,606	6,288
FUND BALANCES - Beginning	<u>1,766</u>	<u>169,113</u>	<u>251,253</u>
FUND BALANCES (DEFICIT) - Ending	<u>\$ 16,866</u>	<u>\$ 214,719</u>	<u>\$ 257,541</u>

Special Revenue Funds

<u>Aquatic Center</u>	<u>Room Taxes</u>	<u>Civic and Social</u>	<u>Park and Recreation</u>
\$ 40,000	\$ 390,169	\$ -	\$ -
-	-	-	-
-	-	5,850	-
133,963	-	-	9,792
-	-	-	2,100
226	-	2,495	234
<u>174,189</u>	<u>390,169</u>	<u>8,345</u>	<u>12,126</u>
-	-	-	-
193,873	50,868	-	386
-	262,846	4,156	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>193,873</u>	<u>313,714</u>	<u>4,156</u>	<u>386</u>
<u>(19,684)</u>	<u>76,455</u>	<u>4,189</u>	<u>11,740</u>
40,000	-	-	-
-	(117,051)	-	-
-	-	-	-
<u>40,000</u>	<u>(117,051)</u>	<u>-</u>	<u>-</u>
20,316	(40,596)	4,189	11,740
<u>37,785</u>	<u>178,281</u>	<u>5,617</u>	<u>10,685</u>
<u>\$ 58,101</u>	<u>\$ 137,685</u>	<u>\$ 9,806</u>	<u>\$ 22,425</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, 2018

	Capital Projects Funds	Total Nonmajor Governmental Funds
	Capital Improvements	Funds
REVENUES		
Taxes	\$ 93,326	\$ 917,488
Intergovernmental	25,000	116,896
Licenses and permits	-	5,850
Charges for services	112,964	1,301,928
Contributions and donations	-	2,100
Investment earnings and miscellaneous	19	6,221
Total Revenues	231,309	2,350,483
EXPENDITURES		
Current		
Public works	-	808,754
Parks, recreation, and education	-	245,127
Community development	-	622,568
Capital improvements	207,899	207,899
Debt service		
Interest and fiscal charges	-	1,150
Total Expenditures	207,899	1,885,498
Excess (deficiency) of revenues over expenditures	23,410	464,985
OTHER FINANCING SOURCES (USES)		
Transfers in	77,051	156,047
Transfers out	(282,197)	(740,125)
Sale of village properties	26,518	26,518
Total Other Financing Sources (Uses)	(178,628)	(557,560)
Net Change in Fund Balances	(155,218)	(92,575)
FUND BALANCES - Beginning	65,668	720,168
FUND BALANCES (DEFICIT) - Ending	\$ (89,550)	\$ 627,593

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 78,600	\$ 78,600	\$ 80,235	\$ 1,635
Charges for services	797,450	797,450	800,876	3,426
Investment earnings and miscellaneous	-	-	291	291
Total Revenues	<u>876,050</u>	<u>876,050</u>	<u>881,402</u>	<u>5,352</u>
EXPENDITURES				
Current				
Public works	<u>801,414</u>	<u>801,414</u>	<u>808,754</u>	<u>(7,340)</u>
Excess of revenues over expenditures	<u>74,636</u>	<u>74,636</u>	<u>72,648</u>	<u>(1,988)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	28,325	28,325	32,464	4,139
Transfers out	<u>(58,977)</u>	<u>(58,977)</u>	<u>(90,012)</u>	<u>(31,035)</u>
Total Other Financing Sources (Uses)	<u>(30,652)</u>	<u>(30,652)</u>	<u>(57,548)</u>	<u>(26,896)</u>
Net Change in Fund Balance	43,984	43,984	15,100	(28,884)
FUND BALANCE - Beginning	<u>1,766</u>	<u>1,766</u>	<u>1,766</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 45,750</u>	<u>\$ 45,750</u>	<u>\$ 16,866</u>	<u>\$ (28,884)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 400,000	\$ 400,000	\$ 393,993	\$ (6,007)
Intergovernmental	11,492	11,492	11,661	169
Investment earnings and miscellaneous	300	300	370	70
Total Revenues	<u>411,792</u>	<u>411,792</u>	<u>406,024</u>	<u>(5,768)</u>
EXPENDITURES				
Current				
Community development	<u>386,593</u>	<u>386,593</u>	<u>353,886</u>	<u>32,707</u>
Excess of revenues over expenditures	<u>25,199</u>	<u>25,199</u>	<u>52,138</u>	<u>26,939</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,815	2,815	-	(2,815)
Transfers out	-	-	(6,532)	(6,532)
Total Other Financing Sources (Uses)	<u>2,815</u>	<u>2,815</u>	<u>(6,532)</u>	<u>(9,347)</u>
Net Change in Fund Balance	28,014	28,014	45,606	17,592
FUND BALANCE - Beginning	<u>169,113</u>	<u>169,113</u>	<u>169,113</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 197,127</u>	<u>\$ 197,127</u>	<u>\$ 214,719</u>	<u>\$ 17,592</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ 244,333	\$ 244,333	\$ 244,333	\$ -
Investment earnings and miscellaneous	6,500	6,500	2,586	(3,914)
Total Revenues	<u>250,833</u>	<u>250,833</u>	<u>246,919</u>	<u>(3,914)</u>
EXPENDITURES				
Current				
Community development	2,758	2,758	1,680	1,078
Debt service				
Interest and fiscal charges	1,200	1,200	1,150	50
Total Expenditures	<u>3,958</u>	<u>3,958</u>	<u>2,830</u>	<u>1,128</u>
Excess of revenues over expenditures	<u>246,875</u>	<u>246,875</u>	<u>244,089</u>	<u>(2,786)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	274	274	6,532	6,258
Transfers out	(247,149)	(247,149)	(244,333)	2,816
Total Other Financing Sources (Uses)	<u>(246,875)</u>	<u>(246,875)</u>	<u>(237,801)</u>	<u>9,074</u>
Net Change in Fund Balance	-	-	6,288	6,288
FUND BALANCE - Beginning	<u>251,253</u>	<u>251,253</u>	<u>251,253</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 251,253</u>	<u>\$ 251,253</u>	<u>\$ 257,541</u>	<u>\$ 6,288</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Charges for services	116,230	116,230	133,963	17,733
Investment earnings and miscellaneous	60	60	226	166
Total Revenues	<u>156,290</u>	<u>156,290</u>	<u>174,189</u>	<u>17,899</u>
EXPENDITURES				
Current				
Parks, recreation, and education	<u>188,179</u>	<u>188,179</u>	<u>193,873</u>	<u>(5,694)</u>
Excess (deficiency) of revenues over expenditures	<u>(31,889)</u>	<u>(31,889)</u>	<u>(19,684)</u>	<u>12,205</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	8,111	8,111	20,316	12,205
FUND BALANCE - Beginning	<u>37,785</u>	<u>37,785</u>	<u>37,785</u>	<u>-</u>
FUND BALANCE - Ending	<u><u>\$ 45,896</u></u>	<u><u>\$ 45,896</u></u>	<u><u>\$ 58,101</u></u>	<u><u>\$ 12,205</u></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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 394,730	\$ 394,730	\$ 390,169	\$ (4,561)
EXPENDITURES				
Current				
Parks, recreation, and education	20,000	20,000	50,868	(30,868)
Community development	256,311	256,311	262,846	(6,535)
Total Expenditures	276,311	276,311	313,714	(37,403)
Excess of revenues over expenditures	118,419	118,419	76,455	(41,964)
OTHER FINANCING SOURCES (USES)				
Transfers out	(118,419)	(118,419)	(117,051)	1,368
Net Change in Fund Balance	-	-	(40,596)	(40,596)
FUND BALANCE - Beginning	178,281	178,281	178,281	-
FUND BALANCE - Ending	\$ 178,281	\$ 178,281	\$ 137,685	\$ (40,596)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Licenses and permits	\$ 5,700	\$ 5,700	\$ 5,850	\$ 150
Investment earnings and miscellaneous	30	30	2,495	2,465
Total Revenues	<u>5,730</u>	<u>5,730</u>	<u>8,345</u>	<u>2,615</u>
EXPENDITURES				
Current				
Community Development	5,500	5,500	4,156	1,344
Net Change in Fund Balance	230	230	4,189	3,959
FUND BALANCE - Beginning	<u>5,617</u>	<u>5,617</u>	<u>5,617</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 5,847</u>	<u>\$ 5,847</u>	<u>\$ 9,806</u>	<u>\$ 3,959</u>

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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 500	\$ 500	\$ 9,792	\$ 9,292
Contributions and donations	150	150	2,100	1,950
Investment earnings and miscellaneous	200	200	234	34
Total Revenues	<u>850</u>	<u>850</u>	<u>12,126</u>	<u>11,276</u>
EXPENDITURES				
Current				
Parks, recreation, and education	<u>650</u>	<u>650</u>	<u>386</u>	<u>264</u>
Net Change in Fund Balance	200	200	11,740	11,540
FUND BALANCE - Beginning	<u>10,685</u>	<u>10,685</u>	<u>10,685</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 10,885</u>	<u>\$ 10,885</u>	<u>\$ 22,425</u>	<u>\$ 11,540</u>

VILLAGE OF WESTON

CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 93,326	\$ 93,326	\$ 93,326	\$ -
Intergovernmental	-	-	25,000	25,000
Charges for services	116,700	116,700	112,964	(3,736)
Investment earnings and miscellaneous	-	-	19	19
Total Revenues	<u>210,026</u>	<u>210,026</u>	<u>231,309</u>	<u>21,283</u>
EXPENDITURES				
Capital improvements	<u>300,975</u>	<u>300,975</u>	<u>207,899</u>	<u>93,076</u>
Excess (deficiency) of revenues over	<u>(90,949)</u>	<u>(90,949)</u>	<u>23,410</u>	<u>114,359</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	120,000	120,000	77,051	(42,949)
Transfers out	(282,197)	(282,197)	(282,197)	-
Sale of village properties	46,500	46,500	26,518	(19,982)
Total Other Financing Sources (Uses)	<u>(115,697)</u>	<u>(115,697)</u>	<u>(178,628)</u>	<u>(62,931)</u>
Net Change in Fund Balance	(206,646)	(206,646)	(155,218)	51,428
FUND BALANCE - Beginning	<u>65,668</u>	<u>65,668</u>	<u>65,668</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (140,978)</u>	<u>\$ (140,978)</u>	<u>\$ (89,550)</u>	<u>\$ 51,428</u>

OTHER INFORMATION

VILLAGE OF WESTON

PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Project to December 31, 2018

TIF DISTRICT #1 FUND

TOTAL AUTHORIZATIONS	<u><u>\$ 57,978,689</u></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	19,237,124
Transfers in	30,735,823
Sale of village properties	4,077,967
Net decrease in the fair value of investments	(13,290)
Total Revenues and Other Financing Sources	<u><u>\$ 57,978,689</u></u>
EXPENDITURES AND OTHER FINANCING USES	
Capital improvements	\$ 57,168,030
Bond issuance costs	2,000
Discounts on bonds/notes issued	942
Transfers out	807,717
Total Expenditures and Other Financing Uses	<u><u>\$ 57,978,689</u></u>
FUND BALANCE - December 31, 2018	<u><u>\$ -</u></u>

TIF DISTRICT #2 FUND

TOTAL AUTHORIZATIONS	<u><u>\$ 3,132,406</u></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><u>\$ 3,132,406</u></u>
EXPENDITURES AND OTHER FINANCING USES	
Capital improvements	\$ 3,131,935
Discounts on bonds/notes issued	471
Total Expenditures and Other Financing Uses	<u><u>\$ 3,132,406</u></u>
FUND BALANCE - December 31, 2018	<u><u>\$ -</u></u>

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, 2018

	Water Utility	Sewer Utility	Stormwater Utility	Totals
UTILITY PLANT IN SERVICE				
Beginning of year	\$ 30,517,347	\$ 31,965,639	\$ 17,635,161	\$ 80,118,147
End of year	30,526,297	31,966,472	17,485,961	79,978,730
Average	<u>30,521,822</u>	<u>31,966,056</u>	<u>17,560,561</u>	<u>80,048,439</u>
ACCUMULATED DEPRECIATION				
Beginning of year	9,126,596	12,642,144	5,908,371	27,677,111
End of year	9,583,656	12,937,080	6,120,963	28,641,699
Average	<u>9,355,126</u>	<u>12,789,612</u>	<u>6,014,667</u>	<u>28,159,405</u>
MATERIALS AND SUPPLIES				
Beginning of year	84,502	-	-	84,502
End of year	88,182	-	-	88,182
Average	<u>86,342</u>	<u>-</u>	<u>-</u>	<u>86,342</u>
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	<u>7,619,828</u>	<u>11,260,944</u>	<u>-</u>	<u>18,880,772</u>
AVERAGE NET RATE BASE	<u>\$ 13,633,210</u>	<u>\$ 7,915,500</u>	<u>\$ 11,545,894</u>	<u>\$ 33,094,604</u>
OPERATING INCOME (LOSS)	<u>\$ 570,054</u>	<u>\$ 96,323</u>	<u>\$ 129,332</u>	<u>\$ 795,709</u>
RATE OF RETURN - 2018	<u>4.18%</u>	<u>1.22%</u>	<u>1.12%</u>	<u>2.40%</u>
RATE OF RETURN - 2017	<u>3.58%</u>	<u>-0.54%</u>	<u>1.40%</u>	<u>1.82%</u>

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.