

# ***FINANCIAL REPORT***

***OF THE***

***VILLAGE OF WESTON,  
WISCONSIN***



**FOR THE YEAR ENDED DECEMBER 31, 2019**

Prepared By:  
WESTON FINANCE DEPARTMENT

# VILLAGE OF WESTON

ANNUAL FINANCIAL REPORT  
December 31, 2019

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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, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Weston's basic financial statements as listed in the table of contents.

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

Village of Weston's 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, 2019, 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'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 August 13, 2020 on our consideration of the Village of Weston'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'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  
August 13, 2020

## 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, 2019. 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 2018 and 2019.

### 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, 2019 by \$80,626,159 (reported as "*net position*"). Of this amount, \$12,712,549 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Net position from Governmental Activities was \$19,619,950, while the Business-Type Activities net position was \$61,006,209.
- The Village's total net position increased by \$1,469,567 during fiscal year 2019, resulting from governmental and business-type activities. There was an increase of \$949,223 net position from Governmental Activities, and an increase of \$520,344 in net position from Business-Type Activities.
- At the close of the current fiscal year, the Village of Weston's governmental funds reported combined fund balances of \$10,938,321, which was an increase of \$4,942,437 in comparison with the prior year. The unassigned fund balance was \$2,526,452. At the end of the year, management had designated \$5,611,913 of the total fund balance as committed or assigned for specific purposes and \$2,799,956 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 \$2,546,024 or approximately 34.7% of the Village's 2019 total general fund expenditures of \$7,332,652 (excluding transfers). The unassigned fund balance in the Village's General Fund was \$2,526,452, which was an increase of \$783,744 from the previous year.
- The Village issued a \$5.3M Series 2019A Note to refund a current debt issuance and to finance capital projects and equipment. \$1.3M was used for the current refunding of a 2016 note, \$2.5M was borrowed for projects and equipment related to governmental activities, \$0.7M was borrowed for Water Utility projects, and \$0.8M was borrowed for Sewer Utility projects.



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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 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, 2019. 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 Fund-Capital Improvements 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 96-100 of this report. Budgetary comparisons for the Special Revenue, Capital Projects, and Debt Service Funds can be found on pages 101-102, 104-105, and 112-119 of this report.

Following is a listing and description of the governmental funds reported by the Village of Weston in 2019:

#### *General Fund (major fund)*

The General 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 2019, 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 2019, the Village of Weston used capital projects funds to account for:

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

The basic governmental fund financial statements can be found on pages 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 2019, 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 2019, 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 governmental funds.

### *Custodial Funds*

Custodial 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 2019, the Village of Weston used custodial funds to account for:

Tax Collections

The basic fiduciary fund financial statements can be found on page 37-38 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 39-91 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 92-121 of this report.

## GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

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

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Weston, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$80,626,159 (net position) as of December 31, 2019. This includes total assets of \$129,670,515, deferred outflows of resources of \$1,563,808, total liabilities of \$36,749,281, and deferred inflows of resources of \$13,858,883. 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 (80.9%) 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 (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$12,712,549 (15.7%) 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 92% 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, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 26,648,901	\$ 21,445,499	\$ 16,984,662	\$ 14,694,558	\$ 43,633,563	\$ 36,140,057
Capital assets	35,176,464	38,620,771	50,860,488	51,532,611	86,036,952	90,153,382
Total assets	61,825,365	60,066,270	67,845,150	66,227,169	129,670,515	126,293,439
Total deferred outflow s of resources	1,089,420	863,054	474,388	324,933	1,563,808	1,187,987
Non-current liabilities	(28,530,672)	(28,253,192)	(5,293,704)	(4,785,845)	(33,824,376)	(33,039,037)
Current and other liabilities	(1,123,277)	(824,747)	(1,801,628)	(1,025,700)	(2,924,905)	(1,850,447)
Total liabilities	(29,653,949)	(29,077,939)	(7,095,332)	(5,811,545)	(36,749,281)	(34,889,484)
Total deferred inflow s of resources	(13,640,886)	(13,180,658)	(217,997)	(254,692)	(13,858,883)	(13,435,350)
Net position:						
Net investment in capital assets	18,650,685	20,269,647	46,597,133	47,364,529	65,247,818	67,634,176
Restricted	1,821,611	2,115,187	844,181	953,679	2,665,792	3,068,866
Unrestricted (deficit)	(852,346)	(3,714,107)	13,564,895	12,167,657	12,712,549	8,453,550
Total net position	\$ 19,619,950	\$ 18,670,727	\$ 61,006,209	\$ 60,485,865	\$ 80,626,159	\$ 79,156,592

**CHANGES IN NET POSITION**

The 2019 overall net position of the Village increased by \$1,469,567 from 2018.

Net position of the Village's governmental activities totaled \$19,619,950 as of December 31, 2019. Governmental activities for the year increased net position by \$949,223. 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 \$852,346 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.

The net position of business-type activities totaled \$61,006,209, an increase of \$520,344. The Village can use the unrestricted net position of \$13,564,895 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, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,593,891	\$ 1,905,657	\$ 5,465,243	\$ 5,162,684	\$ 7,059,134	\$ 7,068,341
Operating grants and contributions	119,846	160,741	591	1,150	120,437	161,891
Capital grants and contributions	571,549	501,111	57,121	34,075	628,670	535,186
General revenues:						
Property taxes	11,772,561	11,162,288	-	-	11,772,561	11,162,288
Other taxes	643,251	550,534	-	-	643,251	550,534
Intergovernmental revenues not restricted to specific programs	1,286,031	1,251,251	-	-	1,286,031	1,251,251
Public gifts and/or grants not restricted to specific programs	-	-	-	-	-	-
Investment earnings	310,518	39,594	588,316	162,143	898,834	201,737
Other general revenues	99,213	80,477	17,864	258	117,077	80,735
<b>Total Revenues</b>	<b>16,396,860</b>	<b>15,651,653</b>	<b>6,129,135</b>	<b>5,360,310</b>	<b>22,525,995</b>	<b>21,011,963</b>
<b>Expenses:</b>						
General government	1,256,643	1,339,763	-	-	1,256,643	1,339,763
Public safety	4,955,573	4,185,959	-	-	4,955,573	4,185,959
Public works	6,562,773	6,607,532	-	-	6,562,773	6,607,532
Health and human services	12,304	12,800	-	-	12,304	12,800
Parks, recreation, and education	756,486	785,730	-	-	756,486	785,730
Community development	1,411,210	3,578,721	-	-	1,411,210	3,578,721
Interest and fiscal charges	993,387	901,194	-	-	993,387	901,194
Water utility	-	-	1,939,013	2,039,396	1,939,013	2,039,396
Sewer utility	-	-	2,622,799	2,075,951	2,622,799	2,075,951
Stormwater utility	-	-	546,240	670,219	546,240	670,219
<b>Total Expenses</b>	<b>15,948,376</b>	<b>17,411,699</b>	<b>5,108,052</b>	<b>4,785,566</b>	<b>21,056,428</b>	<b>22,197,265</b>
Increase (decrease) in net position before transfers	448,484	(1,760,046)	1,021,083	574,744	1,469,567	(1,185,302)
Transfers	500,739	496,824	(500,739)	(496,824)	-	-
<b>Change in net position</b>	<b>949,223</b>	<b>(1,263,222)</b>	<b>520,344</b>	<b>77,920</b>	<b>1,469,567</b>	<b>(1,185,302)</b>
Net position - January 1	18,670,727	19,993,515	60,485,865	60,434,209	79,156,592	80,427,724
Cumulative effect of change in accounting principle	-	(59,566)	-	(26,264)	-	(85,830)
Net position - January 1, as restated	18,670,727	19,933,949	60,485,865	60,407,945	79,156,592	80,341,894
<b>Net position - December 31</b>	<b>\$ 19,619,950</b>	<b>\$ 18,670,727</b>	<b>\$ 61,006,209</b>	<b>\$ 60,485,865</b>	<b>\$ 80,626,159</b>	<b>\$ 79,156,592</b>

## Village of Weston Management's Discussion and Analysis

### GOVERNMENTAL ACTIVITIES

Governmental activities for 2019 increased the Village's net position by \$949,223. Total revenues, excluding transfers, increased by \$745,207 for 2019. Property taxes accounted for 71.8% and charges for services accounted for 9.7% of total 2019 governmental activities revenue, excluding transfers. Total expenses decreased by \$1,463,323 for 2019. Expenses for public safety and public works were 72.3% of all governmental activities. Community development expenses were 8.8% of all governmental activities, a decrease of -60.6% from 2018, due to a utility relocation project within TIF #1 during 2018. Governmental expenses included \$3,934,667 in depreciation expense allocated as follows: \$3,665,058 to public works, \$40,636 to general government, \$72,287 to public safety, and \$156,686 to parks and recreation. Depreciation expense represents 24.7% 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 2019 of \$610,273 (5.5%). The TIF district tax levies increased by \$315,329 (5.8%) in 2019 due to growth and increased valuation of properties in TIFs. The debt service levy decreased \$300,000 (-19.4%) for 2019. There was no change in the aquatic center or the capital improvements fund levy for 2019. The general-purpose tax levy of the Village increased by \$594,944 (14.9%) in 2019.
- Revenues from charges for services totaled \$1,593,891, which was a decrease of \$311,766 (16.4%) from 2018. The decrease occurred within general government due to a one-time \$300,000 rent payment agreement in 2018.
- Capital grants and contributions totaled \$571,549, an increase of \$70,438 (14.1%) from 2018. Transportation aids decreased \$59,702 from 2018. The Village received \$11,084 in donations and contributions of capital assets in 2018 vs. \$13,465 in 2019, an increase of \$2,381. Special assessments are decreased annually for amounts moved to the tax roll and other adjustments; in 2018 special assessments were decreased by \$164,530 vs. \$27,552 in 2019. The large change in 2018 was due to the write-off of \$110,441 because the recapture agreements to collect the assessments have sunset.
- Other taxes increased by \$92,717 (16.8%) from 2018 primarily due to an increase in room tax revenue in 2019.
- Investment earnings totaled \$310,518 in 2019, which was an increase of \$270,924 (684.3%) from 2018. The increase is due to positive market adjustments and higher interest rates in 2019.

## Village of Weston Management's Discussion and Analysis

### GOVERNMENTAL ACTIVITIES (cont.)

#### Expenses:

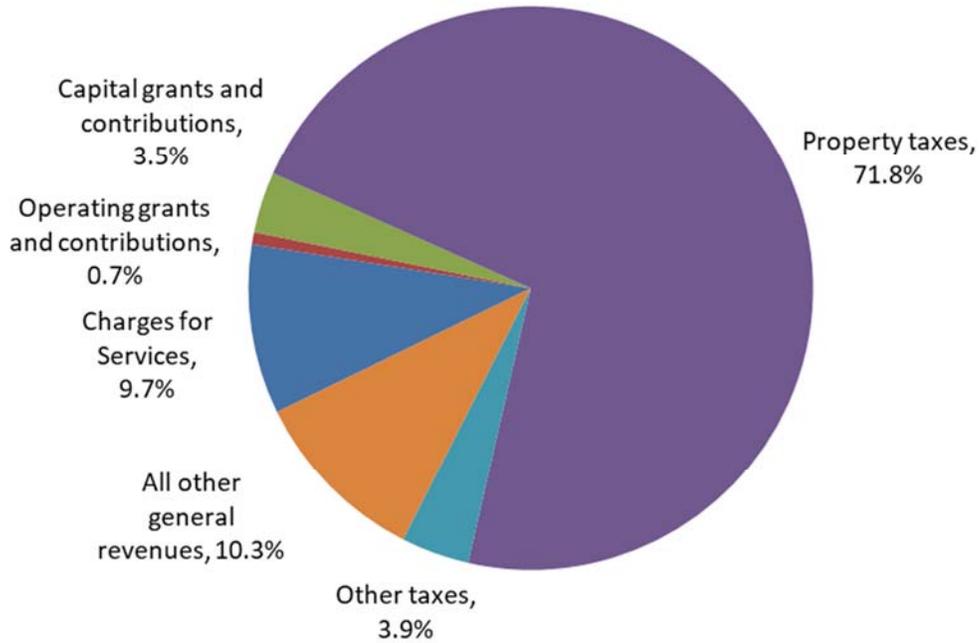
- General government expenses totaled \$1,256,643 in 2019, a decrease of \$83,120 (-6.2%) from 2018. Administrator expenses decreased \$96,176 (-63.1%) from 2018 due to staffing changes within the department; the position was not fully staffed for 2019 so the expenses are abnormally low. Elections decreased \$27,980 (-61.1%) from 2018 due to fewer elections in 2019. Attorney expenses decreased \$34,721 (-48%) from 2018 due to less utilization. Data processing/central services expenses decreased \$30,791 (-20%) due to software provider changes resulting in lower fees and discontinuation of software. General government capital outlay expenses increased \$103,534 (637.8%) from 2018 due to the purchase of electronic poll books for elections and one-time software purchase agreements for licensing/permitting, payroll, and finance.
- Public safety expenses totaled \$4,955,573 in 2019, which was an increase of \$769,614 (18.4%) from 2018. The Village's share for police protection (Everest Metro Police Department) increased by \$76,172 (3%). The increase was for wages/benefits as well as capital outlay. The Village's share in the SAFER fire district increased by \$87,590 (11.8%). The increase covered wages/benefits and other operating expenses. Expenses for public safety equipment increased \$405,786 (346.1%) in 2019, primarily due to increased capital needs for SAFER. Additionally, the Village Board voted to pay off a receivable from SAFER over 5 years beginning in 2020. Prior to 2018, SAFER incurred expenses that the Village paid for. The Village set up a receivable from SAFER with the intention of SAFER paying the Village back with excess funds. SAFER did not have the excess funds to pay back so the municipalities agreed to pay their portion of the receivable off. This resulted in an increase to the public safety expense of \$479,620 (the Village's portion). In subsequent years, the intergovernmental receivable and intergovernmental payable will be reduced until the receivable is paid off.
- Public works expenses totaled \$6,562,773 in 2019, which was a decrease of \$44,759 (-0.7%) from 2018. The decrease is due to \$287,948 of previously recorded capital work in progress being moved to public works expense in 2018 as it was no longer likely these items would result in a capital asset; in 2019 the amount of capital work in progress moved to public works expense was \$28,640. The large decrease from capital work in progress moved to public works expense was offset by an increase in general operations expenses of \$55,692 (2.9%) and an increase in capital improvement purchases that were not capitalized of \$119,544 (338.7%).
- Community development expenses totaled \$1,411,210, a decrease of \$2,167,511 (-60.6%) from 2018. Capital expenses not capitalized decreased by \$2,483,211 (-89.7%) from 2018; the 2018 uncapitalized capital expenses included the utility relocation project in TIF #1 for \$2,543,000 and other TIF #1 capital expenses of \$226,350. The decrease in expenses is offset by an increase in TID #2 expenses of \$228,426 related to a road project.
- Interest and fiscal charges expenses totaled \$993,387 for 2019, an increase of \$92,193 (10.2%) from 2018. The increase is due to issuance costs for the 2019 debt issue.

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

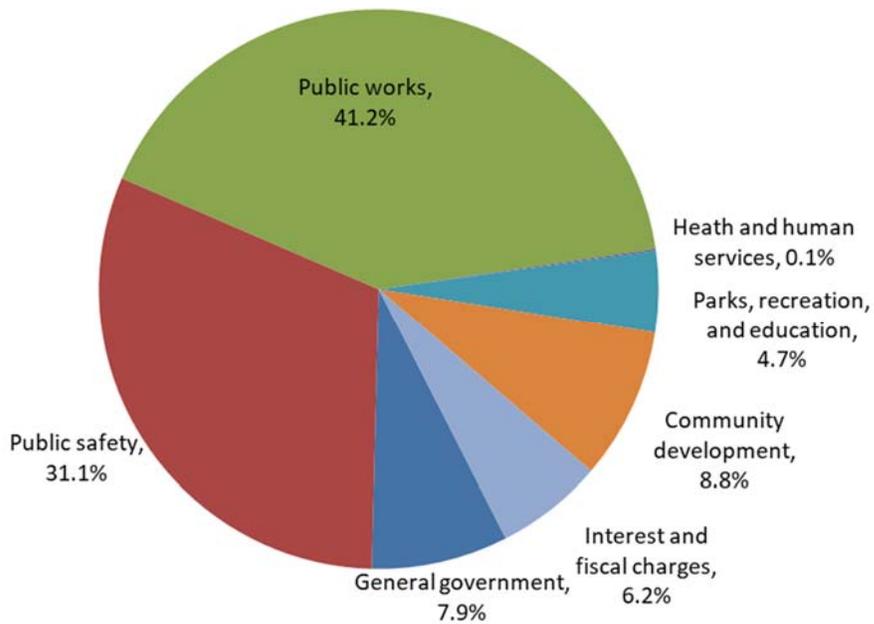
**GOVERNMENTAL ACTIVITIES (cont.)**

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 \$520,344. Charges for services were over expenses by \$357,191. Other 2019 funding sources for the utility funds were capital grants and contributions of \$57,121 and operating grants and contributions of \$591. Investment earnings and other general revenues increased total revenues by \$606,180.

Charges for services increased by \$302,559 (5.9%) in 2019 because of the rate increases for both water and sewer. Capital grants and contributions increased by \$23,046 (67.6%) due to contributions from the Village. Investment earnings increased by \$426,173 (262.8%) due to higher interest rates and positive adjustments to investment market values. Some of the significant changes in revenues were as follows:

- Water Utility operating revenues totaled \$2,476,089 for 2019, which was an increase of \$156,775 (6.8%) from 2018. The increase reflects the additional revenue from the rate increase implemented September 2018. Investment earnings increased by \$34,694 (33.8%) from 2018 which reflected more cash in the Water Utility and higher interest rates. The fair value of investments increased by \$178,942 (431.7%). The Water Utility implemented step one of a water rate increase in 2018, the Utility will implement step two of the rate increase in January 2020.
- Sewer Utility operating revenues totaled \$2,330,952 for 2019, which was an increase of \$135,794 (6.2%) from 2018. The increase reflects the additional revenue from the rate increase implemented September 2018. Interest earnings increased by \$15,365 from 2018, which reflects higher interest rates in 2019 as well as more cash in the utility. The fair value of investments increased \$186,178 (377.2%).
- Stormwater Utility operating revenues totaled \$658,202 for 2019, which was an increase of \$9,990 (1.5%) from 2018. Interest earnings on investments increased by \$4,333 (64.2%) due to having more cash and higher interest rates in 2019. The fair market value of investments increased \$6,661 (463.9%). In 2019, the Stormwater Utility paid back \$156,502 to the Sewer Utility. The total amount owed to the Sewer Utility is \$183,106.

Operating expenses, excluding depreciation, totaled \$2,998,446, which was an increase of \$350,738 (13.2%) from 2018. Depreciation expense increased by \$11,226 to \$1,731,643. Some of the significant changes in expenses were as follows:

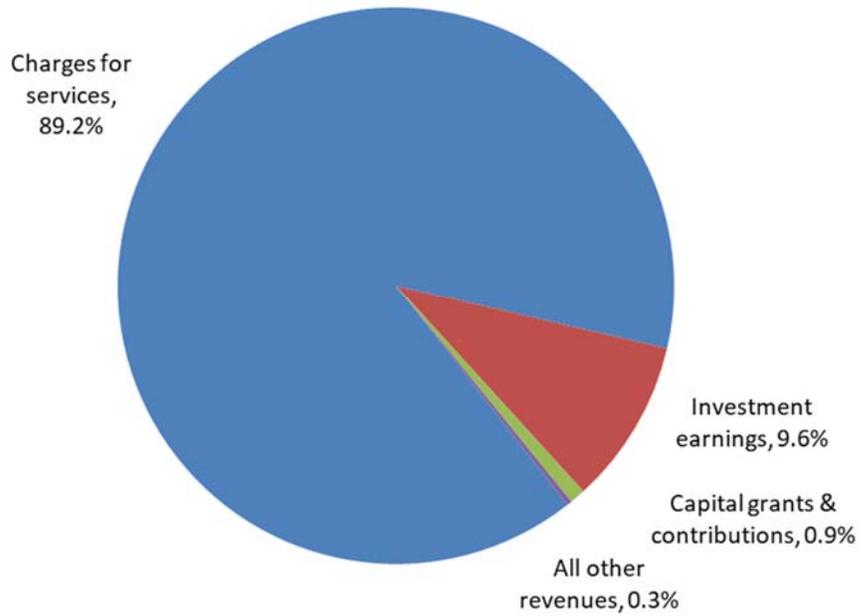
- Water Utility operations expense, excluding depreciation, increased by \$90,175 (8.0%). The increase is mainly within administration expenses due to the addition of half a full-time employee and contracted services for the water master plan. In 2018 the Water Utility disposed of many meters due to the meter changeout project with a loss on sale of capital assets of \$154,617; in 2019, the utility had a gain on the sale capital assets of \$6,824. Interest expense and fiscal charges decreased \$45,834 (34.2%) from 2018 due to bond issuance costs in 2018 not occurring in 2019.
- Sewer Utility operating expenses, excluding depreciation, increased by \$290,370 (21.4%). Most of the increase in operating expenses for the Sewer Utility was due to an increase in fees from the Rib Mountain Sewerage District. Additionally, half a full-time employee was added to the utility in 2019. The Rib Mountain Sewerage District also began charging a debt service charge to cover their facility upgrades in 2019, an increase in nonoperating expenses of \$161,243.
- Stormwater Utility operating expenses, excluding depreciation, decreased by \$29,807 (18.6%). The decrease occurred due to the 2019 projects done in the Stormwater Utility being capitalized and not shown in the operations expense. Interest expense dropped \$92,827 (63.6%) in 2019 due to bond issuance costs in 2018 not occurring in 2019 and lower interest payments on the new debt.

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

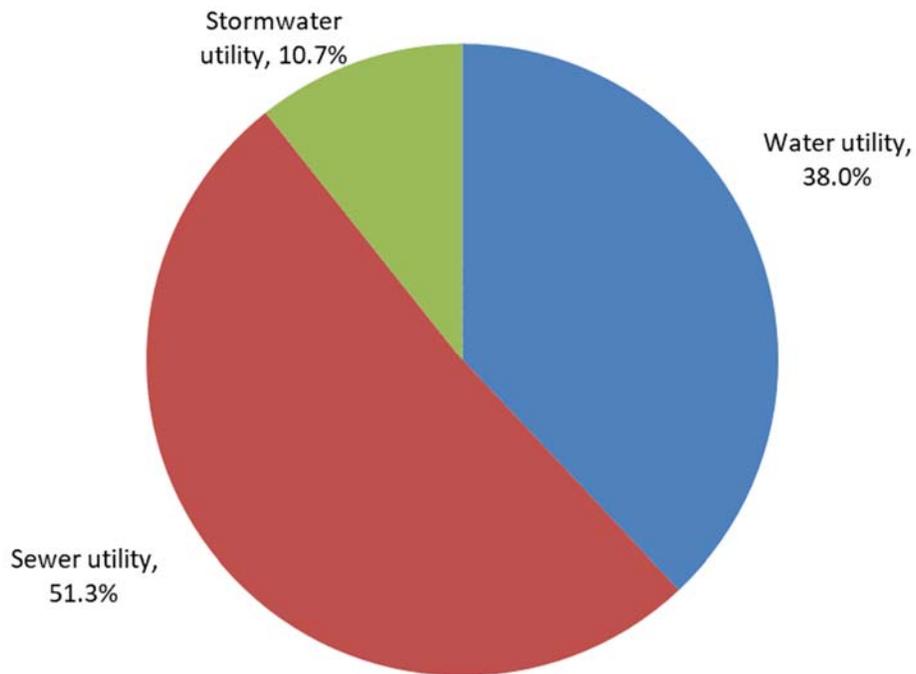
**BUSINESS-TYPE ACTIVITIES (cont.)**

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 2019 with a fund balance of \$10,938,321 in its governmental funds, compared to \$5,995,884 as of December 31, 2018. This is an increase of \$4,942,437. Of the 2019 fund balance, \$845,497 was nonspendable, \$1,954,459 was restricted, \$62,821 was committed, \$5,549,092 was assigned, and \$2,526,452 was unassigned. The nonspendable balance includes \$651,407 due from SAFER district. The full restricted balance of \$1,954,459 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 \$491,604 from 2019 operations. Fund balance at year-end totaled \$3,388,404, of which \$842,380 is nonspendable, \$19,572 is assigned, and \$2,526,452 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 increase in fund balance during the year was \$616,292, which resulted in a total fund balance at year-end of \$132,848. The full fund balance in the Debt Service Fund is classified as restricted.

#### *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 \$2,500,705, which resulted in a fund balance at year-end of \$3,863,200. The increase in fund balance was a result of collecting more increment than what was used for project expenditures.

## **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 \$73,227; the fund balance at year-end was \$1,665,667.

##### *Capital Projects Fund – Capital Improvements*

This fund accounts for the receipts and disbursements of capital related items for the Village. There was a net increase in fund balance this year of \$1,371,776; the fund balance at year-end was \$1,282,226. The large increase in fund balance was due to the 2019 borrowing for capital projects and equipment.

#### ***Proprietary Funds***

##### *Water Utility Fund*

The Water Utility increased rates by 18.4% in September 2018. The Water Utility's operating income, before transfers and other nonoperating revenues and expenses, was \$626,747 in 2019. The overall change to net position was an increase of \$344,913. The Water Utility's 2019 rate of return was 4.73%. The Water Utility received no capital contributions in 2019.

##### *Sewer Utility Fund*

The Sewer Utility increased rates 15.3% starting September 2018. The utility realized an operating loss, before transfers and other nonoperating revenues and expenses, of \$58,649. Overall net position decreased by \$2,875. The Sewer Utility's 2019 rate of return was -0.79%. In 2018 the utility received \$34,075 in capital contributions, in 2019 the utility had \$4,350 in capital contributions.

##### *Stormwater Utility Fund*

In 2019, the utility had an operating income, before transfers and other nonoperating revenues and expenses, of \$167,647. It had an increase in net position of \$178,306, the rate of return was 1.49%. The Stormwater Utility received no capital contributions in 2018, in 2019 the utility had \$52,771 in capital contributions.

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

**BUDGETARY ANALYSIS**

The Village's 2019 General Fund amended expenditure budget totaled \$7,630,723. The Village's amended General Fund revenue budget totaled \$7,584,723. The 2019 revenue budget anticipated the use of \$46,000 in assigned fund balance.

The Village ended 2019 with a General Fund balance increase of \$491,604, with an overall positive budget variance of \$537,604. The positive variance from budget is due to a combination of revenues coming in higher than budgeted and expenditures coming in lower than budgeted. The Village did not use the anticipated \$46,000 from fund balance.

General Fund revenue was over budget by \$270,026, 3.6% over budget. Taxes experienced a positive variance of \$38,256 with mobile home taxes and Rothschild utility tax coming in higher than anticipated. Charges for Services came in \$55,682 higher than budgeted due to a new agreement with the Village of Kronenwetter for building inspections services and due to more billings to the Town of Weston for services. Investment Earnings and Miscellaneous experienced a positive variance of \$120,659. Investment earnings were higher than anticipated during 2019 due to higher interest rates and positive adjustments to investment market values. Insurance recoveries were \$20,267 higher than budget; this revenue is offset by repair expenditures for damaged equipment and property. Miscellaneous general revenues were \$33,277 higher than budget due to refunds from prior year overpayments, an unbudgeted rental payment, and other miscellaneous unanticipated revenues. All overall revenue categories had positive variances from budget, with only a few individual revenues having a negative variance from budget.

General Fund expenditures finished 2019 with a positive budget variance of \$267,578, or 3.5% under budget. General Government had a positive variance of \$96,277, primarily due to actual staffing varying from budgeted staffing assumptions; the negative variance in the tax refunds/bad debt line is due to staff cleaning up old receivables that were no longer collectible. Public Works had a positive variance of \$84,824. Public Works experienced a rough winter season for 2019, ending \$78,005 over budget; however, staff adjusted their work plan to offset the overage. Public Works also had a couple vacant positions during 2019 that were budgeted for the full year, further contributing to the positive budget variance. Parks, Recreation, and Education came in \$44,087 under budget due to less time spent in the Parks Department than was budgeted. Additionally, there were some park projects scheduled for 2019 that did not get completed; \$7,580 was carried over as assigned fund balance to be used for park projects in 2020. Community Development had a positive variance of \$16,642, partially due to not completing a project in 2019; \$4,492 was carried over as assigned fund balance to be used for planning services in 2020. Other Village department expenditure categories experienced small positive budget variances.

General Fund statements highlighting budget versus actual variances can be found on pages 96-100 of this report.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2019, the Village of Weston had an investment in capital assets of \$86,036,952, net of accumulated depreciation, for all governmental and business-type activities of the Village. This amounts to a \$4,116,430 decrease (-4.6%) from the end of 2018.

The Village borrowed \$4.0M for capital projects and equipment in 2019 with about \$1.9M of that unspent as of 12/31/19. The funds borrowed are for general government as well as the utilities.

In 2019 there were \$690,523 in governmental activities asset additions. Of that, \$15,924 was for park land improvements, \$66,290 was for general government equipment, \$252,912 was for public works equipment, \$73,159 was for parks equipment, and \$168,908 was for a street reconstruction. Additionally, there were construction in progress additions of \$113,330. Capital asset removals for 2019 were \$408,677.

There were a few additions in the Village's business-type activities. The Water Utility added SCADA equipment for \$152,034, a new utility van for \$31,512, meters for \$61,263, water infrastructure for \$77,291, valves for \$64,296, and construction in progress for \$231,938. The Sewer Utility added sewer mains for \$37,980, sewer manholes for \$7,008, and construction in progress for \$246,186. The Stormwater Utility added storm sewer mains for \$157,009. The following table provides a summary of the Village's change in capital assets. Utility capital asset removals for 2019 were \$94,818.

**VILLAGE OF WESTON  
CAPITAL ASSETS  
December 31, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land/right-of-ways	\$ 6,650,288	\$ 6,814,693	\$ 623,352	\$ 623,352	\$ 7,273,640	\$ 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	6,311,917	6,295,993	72,952,057	72,575,636	79,263,974	78,871,629
Equipment	5,370,049	5,070,133	3,136,021	3,017,924	8,506,070	8,088,057
Infrastructure	81,734,739	81,689,018	-	-	81,734,739	81,689,018
Construction in progress	113,330	28,640	673,704	195,580	787,034	224,220
Total capital assets	107,090,794	106,808,948	81,146,952	80,174,310	188,237,746	186,983,258
Less accumulated depreciation	<u>(71,914,330)</u>	<u>(68,188,177)</u>	<u>(30,286,464)</u>	<u>(28,641,699)</u>	<u>(102,200,794)</u>	<u>(96,829,876)</u>
Capital assets, net of depreciation	<u>\$ 35,176,464</u>	<u>\$38,620,771</u>	<u>\$50,860,488</u>	<u>\$51,532,611</u>	<u>\$ 86,036,952</u>	<u>\$ 90,153,382</u>

More detail regarding the Village's capital assets can be found in Note IV (D) on pages 63-65 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, 2019 totaled \$9,654,530. In addition, the Village had revenue debt outstanding (backed by revenues generated from the Weston Water, Sewer, and Stormwater Utilities) of \$4,730,000. 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 \$17,885,000. Capital lease obligations outstanding were \$320,536. Therefore, the total outstanding debt of the Village as of December 31, 2019 totaled \$32,590,066.

Wisconsin state statutes limit the amount of general obligation debt a governmental entity may issue to 5.0% of its total equalized valuation. Based upon the Village's 2019 equalized value of \$1,276,454,100, the Village's statutory debt limit totaled \$63,822,705. The Village was at 15.1% of its legal debt limit as of December 31, 2019.

In 2019, the Village issued \$5.3M in general obligation promissory notes for capital equipment and capital projects. The amount of the new debt related to utility projects and equipment is \$1.5M. Additionally, \$1.3M was used to current refund a 2016 general obligation note.

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

**VILLAGE OF WESTON  
OUTSTANDING DEBT  
December 31, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds & notes	\$ 8,196,108	\$ 7,192,604	\$ 1,458,421	\$ 39,945	\$ 9,654,529	\$ 7,232,549
CDA lease revenue bonds	17,885,000	19,215,000	-	-	17,885,000	19,215,000
Water utility revenue bonds	-	-	2,325,000	2,585,000	2,325,000	2,585,000
Sewer utility revenue bonds	-	-	705,000	1,030,000	705,000	1,030,000
Stormwater utility revenue bonds	-	-	1,700,000	1,890,000	1,700,000	1,890,000
Capital leases	320,536	695,870	-	-	320,536	695,870
<b>Total</b>	<b>\$26,401,644</b>	<b>\$27,103,474</b>	<b>\$ 6,188,421</b>	<b>\$ 5,544,945</b>	<b>\$ 32,590,065</b>	<b>\$ 32,648,419</b>

More detail regarding the Village's outstanding debt can be found in Note IV (F), Note IV (G), and Note IV (H) on pages 68-73 of this report.

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

**ECONOMIC FACTORS, 2019 TAX RATES, AND THE 2020 BUDGET**

The Village continues to struggle with levy limits and the ongoing decline in state aid to municipalities. The Village's 2020 budget increased its total operating tax levy (excluding TIF Districts) by 4.00%. The Village's total assessed value increased from \$1,142,273,800 in 2018 to \$1,152,114,300 in 2019, which was an increase of \$9,840,500. The 2019 assessed tax rate was \$6.89 per \$1,000 of assessed valuation, a 3.16% increase from the 2018 assessed tax rate of \$6.68.

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 2020 fiscal year combined operating budget includes \$28,942,225 in projected revenues and \$29,054,263 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 2020 operating budget.

The Village has not yet determined the effects of COVID-19 to ongoing operations.

The Water Utility received authorization from the Wisconsin Public Service Commission to increase rates with the first step effective September 2018; the second step was approved by the Village Board to take effect with the first billing cycle in January 2020. The rate increase from step one to step two is expected to generate \$88,698 in additional revenue. The average rate increase for the water rate is 22.8%. A sewer rate increase was authorized by the Village Board to be effective in September 2018. The average increase for the sewer rate was 15.3%. 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](http://www.westonwi.gov).

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF WESTON**

STATEMENT OF NET POSITION  
December 31, 2019

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 13,565,553	\$ 13,864,292	\$ 27,429,845
Receivables (net of allowance for uncollectibles):			
Taxes	7,960,820	14,515	7,975,335
Accounts	-	988,849	988,849
Intergovernmental receivables	684,511	1,723	686,234
Municipal court	355,605	-	355,605
Special assessments	48,180	388,402	436,582
Accrued interest	20,732	71,877	92,609
Other	203,026	471	203,497
Total Receivables	<u>9,272,874</u>	<u>1,465,837</u>	<u>10,738,711</u>
Internal balances	480,553	(480,553)	-
Inventories	3,716	85,241	88,957
Prepaid items	190,374	2,115	192,489
Restricted assets:			
Cash and investments	1,908,484	2,047,730	3,956,214
Investment in joint venture - EMPD	909,298	-	909,298
Investment in joint venture - SAFER	318,049	-	318,049
Capital assets:			
Intangible plant - organizational costs	-	319	319
Land and right-of-ways	6,650,288	623,033	7,273,321
Construction in progress	113,330	673,704	787,034
Depreciable capital assets, net	28,412,846	49,563,432	77,976,278
<b>TOTAL ASSETS</b>	<u>61,825,365</u>	<u>67,845,150</u>	<u>129,670,515</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	911,887	422,063	1,333,950
Deferred outflows related to other postemployment benefit plan	15,507	7,195	22,702
Deferred charge on refunding	162,026	45,130	207,156
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,089,420</u>	<u>474,388</u>	<u>1,563,808</u>
<b>LIABILITIES</b>			
Accounts payable	490,140	582,660	1,072,800
Retainage payable	-	4,549	4,549
Other accrued liabilities	329,371	34,807	364,178
Special deposits	42,927	4,962	47,889
Accrued interest payable	152,175	36,099	188,274
General obligation debt - current	-	303,494	303,494
Intergovernmental payables	12,416	73	12,489
Unearned revenue	914	-	914
Liabilities payable from restricted assets:			
Current maturities of revenue debt	-	802,649	802,649
Accrued interest	95,334	32,335	127,669
Non-current liabilities:			
Intergovernmental payable	479,620	-	479,620
Net pension liability	328,136	151,963	480,099
Net postemployment benefit liability	67,158	31,155	98,313
Due within one year	6,653,414	-	6,653,414
Due in more than one year	21,002,344	5,110,586	26,112,930
<b>TOTAL LIABILITIES</b>	<u>29,653,949</u>	<u>7,095,332</u>	<u>36,749,281</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year's property taxes	13,169,933	-	13,169,933
Pension related deferred inflows	451,835	209,129	660,964
Other postemployment benefit plan related deferred inflows	19,118	8,868	27,986
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>13,640,886</u>	<u>217,997</u>	<u>13,858,883</u>
<b>NET POSITION</b>			
Net investment in capital assets	18,650,685	46,597,133	65,247,818
Restricted for:			
Debt service	1,821,611	844,181	2,665,792
Unrestricted (deficit)	(852,346)	13,564,895	12,712,549
<b>TOTAL NET POSITION</b>	<u>\$ 19,619,950</u>	<u>\$ 61,006,209</u>	<u>\$ 80,626,159</u>

See accompanying notes to financial statements.

# VILLAGE OF WESTON

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 1,256,643	\$ 262,303	\$ -	\$ -
Public safety	4,955,573	261,814	-	-
Public works	6,562,773	897,340	78,691	571,549
Health and human services	12,304	-	-	-
Parks, recreation, and education	756,486	154,245	2,701	-
Community development	1,411,315	18,189	350	-
Interest and fiscal charges	993,282	-	38,104	-
Total Governmental Activities	15,948,376	1,593,891	119,846	571,549
<b>Business-Type Activities</b>				
Water utility	1,939,013	2,476,089	-	-
Sewer utility	2,622,799	2,330,952	-	4,350
Stormwater utility	546,240	658,202	591	52,771
Total Business-Type Activities	5,108,052	5,465,243	591	57,121
Total Primary Government	\$ 21,056,428	\$ 7,059,134	\$ 120,437	\$ 628,670

**General Revenues**

**Taxes**

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

Intergovernmental revenues not restricted to  
specific programs

Investment earnings

Miscellaneous

Gain on sale of capital assets

**Transfers**

Total General Revenues and Transfers

**Change in net position**

NET POSITION - January 1

**NET POSITION - December 31**

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (994,340)	\$ -	\$ (994,340)
(4,693,759)	-	(4,693,759)
(5,015,193)	-	(5,015,193)
(12,304)	-	(12,304)
(599,540)	-	(599,540)
(1,392,776)	-	(1,392,776)
(955,178)	-	(955,178)
<u>(13,663,090)</u>	<u>-</u>	<u>(13,663,090)</u>
-	537,076	537,076
-	(287,497)	(287,497)
-	165,324	165,324
-	414,903	414,903
<u>(13,663,090)</u>	<u>414,903</u>	<u>(13,248,187)</u>
4,597,581	-	4,597,581
1,250,000	-	1,250,000
5,791,654	-	5,791,654
40,000	-	40,000
93,326	-	93,326
470,315	-	470,315
172,936	-	172,936
1,286,031	-	1,286,031
310,518	588,316	898,834
81,679	11	81,690
17,534	17,853	35,387
500,739	(500,739)	-
<u>14,612,313</u>	<u>105,441</u>	<u>14,717,754</u>
949,223	520,344	1,469,567
<u>18,670,727</u>	<u>60,485,865</u>	<u>79,156,592</u>
<u>\$ 19,619,950</u>	<u>\$ 61,006,209</u>	<u>\$ 80,626,159</u>

## VILLAGE OF WESTON

### BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2019

<b>ASSETS</b>	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
Cash and investments	\$ 5,311,446	\$ 132,848	\$ 6,060,241	\$ -
Receivables				
Taxes	1,996,282	1,277,230	3,469,032	-
Intergovernmental receivables	690,466	-	-	-
Municipal court	355,605	-	-	-
Special assessments	-	48,180	-	-
Accrued interest	4,119	-	2,627	13,986
Other	85,297	-	-	-
Total Receivables	3,131,769	1,325,410	3,471,659	13,986
Due from other funds	480,553	-	-	-
Prepaid items/Inventories	190,973	-	-	-
Restricted cash and investments	-	-	-	1,652,293
<b>TOTAL ASSETS</b>	<b>\$ 9,114,741</b>	<b>\$ 1,458,258</b>	<b>\$ 9,531,900</b>	<b>\$ 1,666,279</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 221,449	\$ -	\$ 5,915	\$ 612
Other accrued liabilities	318,245	-	9,019	-
Retainages payable	34,500	-	-	-
Intergovernmental payables	12,416	-	-	-
Unearned revenue	200	-	-	-
Total Liabilities	586,810	-	14,934	612
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding year's property taxes	4,846,479	1,277,230	5,653,766	-
Unavailable revenue-other	293,048	-	-	-
Unavailable revenue-special assessments	-	48,180	-	-
Total Deferred Inflows of Resources	5,139,527	1,325,410	5,653,766	-
 <b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	842,380	-	-	-
Restricted	-	132,848	-	1,570,358
Committed	-	-	-	-
Assigned	19,572	-	3,863,200	95,309
Unassigned	2,526,452	-	-	-
Total Fund Balances (Deficit)	3,388,404	132,848	3,863,200	1,665,667
 <b>INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,114,741</b>	<b>\$ 1,458,258</b>	<b>\$ 9,531,900</b>	<b>\$ 1,666,279</b>

See accompanying notes to financial statements.

<u>Capital Projects</u>		
<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,381,328	\$ 579,148	\$ 13,465,011
93,326	1,124,950	7,960,820
-	-	690,466
-	-	355,605
-	-	48,180
-	-	20,732
-	111,774	197,071
<u>93,326</u>	<u>1,236,724</u>	<u>9,272,874</u>
-	-	480,553
-	3,117	194,090
-	256,191	1,908,484
<u>\$ 1,474,654</u>	<u>\$ 2,075,180</u>	<u>\$ 25,321,012</u>
\$ 90,675	\$ 166,939	\$ 485,590
-	2,107	329,371
8,427	-	42,927
-	-	12,416
-	1,026	1,226
<u>99,102</u>	<u>170,072</u>	<u>871,530</u>
93,326	1,299,132	13,169,933
-	-	293,048
-	-	48,180
<u>93,326</u>	<u>1,299,132</u>	<u>13,511,161</u>
-	3,117	845,497
-	251,253	1,954,459
55,085	7,736	62,821
1,227,141	343,870	5,549,092
-	-	2,526,452
<u>1,282,226</u>	<u>605,976</u>	<u>10,938,321</u>
<u>\$ 1,474,654</u>	<u>\$ 2,075,180</u>	

## VILLAGE OF WESTON

### RECONCILIATION OF THE BALANCE SHEET TO TO THE STATEMENT OF NET POSITION For the Year Ended December 31, 2019

Fund balance - total governmental funds		\$ 10,938,321
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.		35,176,464
Investment for joint venture is not a financial resource and, therefore, is not reported in the funds.		1,227,347
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).		341,228
Internal service funds are reported in the statement of net position as governmental funds.		96,304
The Village's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension liability	(328,136)	
Deferred inflows of resources	(451,835)	
Deferred outflows of resources	<u>911,887</u>	131,916
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	(67,158)	
Deferred inflows of resources	(19,118)	
Deferred outflows of resources	<u>15,507</u>	(70,769)
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).		(27,903,267)
The intergovernmental payable is not due and payable in current period and, therefore, is not reported in the funds.		(479,620)
Deferral amounts on debt refundings are reported as deferred outflows of resources on the government-wide statements.		<u>162,026</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u><u>\$ 19,619,950</u></u>

## VILLAGE OF WESTON

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	General	Debt Service	Special Revenue	
			TIF District #1	Comm. Dev. Authority - TIF District #1
<b>REVENUES</b>				
Taxes	\$ 4,770,517	\$ 1,250,000	\$ 5,363,999	\$ -
Intergovernmental	1,726,678	11,326	107,582	-
Licenses and permits	382,904	-	-	-
Fines and forfeitures	106,750	-	-	-
Special assessments	6,060	48,406	-	-
Charges for services	153,832	-	-	1,547,738
Contributions and donations	-	-	-	-
Investment earnings and miscellaneous	223,459	4,587	55,962	73,839
Total Revenues	<u>7,370,200</u>	<u>1,314,319</u>	<u>5,527,543</u>	<u>1,621,577</u>
<b>EXPENDITURES</b>				
Current				
General government	1,157,630	-	426	-
Public safety	3,652,563	-	-	-
Public works	1,957,510	-	-	-
Health and human services	12,304	-	-	-
Parks, recreation, and education	355,469	-	-	-
Community development	197,176	-	1,770,807	4,045
Capital improvements	-	-	-	-
Debt service				
Principal retirement	-	4,553,408	124,170	-
Interest and fiscal charges	-	713,388	27,531	612
Bond issuance costs	-	91,554	-	-
Total Expenditures	<u>7,332,652</u>	<u>5,358,350</u>	<u>1,922,934</u>	<u>4,657</u>
Excess (deficiency) of revenues over expenditures	<u>37,548</u>	<u>(4,044,031)</u>	<u>3,604,609</u>	<u>1,616,920</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	-	1,392,267	-	-
Discount/premium on bonds/notes issued	-	99,382	-	-
Transfers in	484,549	3,168,674	-	4,045
Transfers out	(30,493)	-	(1,103,904)	(1,547,738)
Sale of village properties	-	-	-	-
Total Other Financing Sources (Uses)	<u>454,056</u>	<u>4,660,323</u>	<u>(1,103,904)</u>	<u>(1,543,693)</u>
Net Change in Fund Balance	491,604	616,292	2,500,705	73,227
FUND BALANCES (DEFICIT) - Beginning	<u>2,896,800</u>	<u>(483,444)</u>	<u>1,362,495</u>	<u>1,592,440</u>
FUND BALANCES - Ending	<u>\$ 3,388,404</u>	<u>\$ 132,848</u>	<u>\$ 3,863,200</u>	<u>\$ 1,665,667</u>

<u>Capital Projects</u>		
<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 93,326	\$ 937,970	\$ 12,415,812
-	94,558	1,940,144
-	7,120	390,024
-	-	106,750
-	-	54,466
100,278	1,196,107	2,997,955
-	3,051	3,051
10,563	25,617	394,027
<u>204,167</u>	<u>2,264,423</u>	<u>18,302,229</u>
-	2,414	1,160,470
-	-	3,652,563
-	817,006	2,774,516
-	-	12,304
-	218,304	573,773
-	926,695	2,898,723
1,357,591	286,139	1,643,730
-	-	4,677,578
-	1,150	742,681
-	-	91,554
<u>1,357,591</u>	<u>2,251,708</u>	<u>18,227,892</u>
<u>(1,153,424)</u>	<u>12,715</u>	<u>74,337</u>
2,459,312	-	3,851,579
227,432	-	326,814
101,094	205,582	3,963,944
(290,856)	(490,214)	(3,463,205)
28,218	160,750	188,968
<u>2,525,200</u>	<u>(123,882)</u>	<u>4,868,100</u>
1,371,776	(111,167)	4,942,437
<u>(89,550)</u>	<u>717,143</u>	<u>5,995,884</u>
<u>\$ 1,282,226</u>	<u>\$ 605,976</u>	<u>\$ 10,938,321</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, 2019

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Net change in fund balances - total governmental funds	\$ 4,942,437
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives with depreciation expense reported in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	677,058
Depreciation is reported in the government-wide statements	(3,934,667)

Net effect of change in investment in joint venture - EMPD is to decrease net position.	(146,998)
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Net effect of change in investment in joint venture - SAFER is to decrease net position.	(251,551)
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Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.	(186,698)
--	-----------

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.	(42,183)
--	----------

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.	(147,359)
--	-----------

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.	(8,924)
--	---------

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 (\$4,553,408) exceeded issues (\$3,851,579) for general obligation debt).	701,829
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Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(326,814)
--	-----------

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.	(96,985)
--	----------

Amount due to SAFER for ambulance lease	176,689
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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.	
Intergovernmental payable	(479,620)
Compensated absences	(2,947)
Advances from developers on TIF District letters of credit	124,170
Accrued interest on debt	(62,062)

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.	13,848
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 949,223</b>
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See accompanying notes to financial statements.

VILLAGE OF WESTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
December 31, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility	Totals Current Year	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 6,391,554	\$ 7,468,557	\$ 4,181	\$ 13,864,292	\$ 100,542
Taxes receivable	4,890	5,955	3,670	14,515	-
Accounts receivable	364,270	473,867	150,712	988,849	-
Accrued interest receivable	29,344	41,919	614	71,877	-
Other accounts receivable	291	180	-	471	-
Intergovernmental receivable	838	885	-	1,723	-
Inventories	85,241	-	-	85,241	-
Prepaid items	1,530	585	-	2,115	-
Restricted assets					
Revenue bond redemption account	299,821	359,280	217,415	876,516	-
Revenue bond construction account	-	405,336	-	405,336	-
Total Current Assets	<u>7,177,779</u>	<u>8,756,564</u>	<u>376,592</u>	<u>16,310,935</u>	<u>100,542</u>
<b>NON-CURRENT ASSETS</b>					
Restricted Assets					
Revenue bond reserve account	202,118	374,760	189,000	765,878	-
Total restricted assets	<u>202,118</u>	<u>374,760</u>	<u>189,000</u>	<u>765,878</u>	<u>-</u>
Other Assets					
Special assessments receivable	27,365	361,037	-	388,402	-
Advance to other funds	-	183,106	-	183,106	-
Total other assets	<u>27,365</u>	<u>544,143</u>	<u>-</u>	<u>571,508</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	26,342,468	29,026,027	17,583,562	72,952,057	-
Machinery and equipment	2,300,297	831,090	4,634	3,136,021	-
Construction in progress	425,318	248,386	-	673,704	-
Less accumulated depreciation	(10,191,650)	(13,613,405)	(6,481,409)	(30,286,464)	-
Total capital assets (net of accumulated depreciation)	<u>21,071,174</u>	<u>18,627,753</u>	<u>11,161,561</u>	<u>50,860,488</u>	<u>-</u>
Total Non-Current Assets	<u>21,300,657</u>	<u>19,546,656</u>	<u>11,350,561</u>	<u>52,197,874</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>28,478,436</u>	<u>28,303,220</u>	<u>11,727,153</u>	<u>68,508,809</u>	<u>100,542</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	242,913	127,793	51,357	422,063	-
Deferred outflows related to OPEB	4,162	2,164	869	7,195	-
Deferred charge on refunding	6,974	22,936	15,220	45,130	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 254,049</u>	<u>\$ 152,893</u>	<u>\$ 67,446</u>	<u>\$ 474,388</u>	<u>\$ -</u>

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 251,016	\$ 331,375	\$ 269	\$ 582,660	\$ 4,169
Retainage payable	4,549	-	-	4,549	-
Intergovernmental payable	-	73	-	73	-
Other accrued liabilities	23,147	10,318	1,342	34,807	-
Customer deposits payable	-	4,962	-	4,962	-
Accrued interest payable	16,880	19,219	-	36,099	-
General obligation debt - current	141,917	161,577	-	303,494	-
Due to other funds	465,399	15,154	-	480,553	-
Unearned revenue	-	-	-	-	69
Current liabilities payable from restricted assets					
Current maturities of revenue debt	265,000	342,649	195,000	802,649	-
Accrued interest payable	11,607	9,520	11,208	32,335	-
<b>Total Current Liabilities</b>	<b>1,179,515</b>	<b>894,847</b>	<b>207,819</b>	<b>2,282,181</b>	<b>4,238</b>
<b>NON-CURRENT LIABILITIES</b>					
General obligation debt, less current maturities	540,057	614,870	-	1,154,927	-
Revenue debt, less current maturities	2,060,000	359,609	1,505,000	3,924,609	-
Advance from other funds	-	-	183,106	183,106	-
Net pension liability	87,486	45,993	18,484	151,963	-
Net OPEB liability	18,021	9,369	3,765	31,155	-
Compensated absences	15,525	15,525	-	31,050	-
<b>Total Non-Current Liabilities</b>	<b>2,721,089</b>	<b>1,045,366</b>	<b>1,710,355</b>	<b>5,476,810</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,900,604</b>	<b>1,940,213</b>	<b>1,918,174</b>	<b>7,758,991</b>	<b>4,238</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred inflows	120,362	63,320	25,447	209,129	-
OPEB related deferred inflows	5,129	2,667	1,072	8,868	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>125,491</b>	<b>65,987</b>	<b>26,519</b>	<b>217,997</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	18,494,001	18,437,351	9,665,781	46,597,133	-
Restricted for debt service	288,214	349,760	206,207	844,181	-
Unrestricted (deficit)	5,924,175	7,662,802	(22,082)	13,564,895	96,304
<b>TOTAL NET POSITION</b>	<b>\$ 24,706,390</b>	<b>\$ 26,449,913</b>	<b>\$ 9,849,906</b>	<b>\$ 61,006,209</b>	<b>\$ 96,304</b>

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, 2019

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 591	\$ 591	\$ -
Charges for services	1,983,654	2,330,952	658,202	4,972,808	516,727
Public fire protection	466,300	-	-	466,300	-
Other operating revenue	26,135	-	-	26,135	-
Total Operating Revenues	2,476,089	2,330,952	658,793	5,465,834	516,727
<b>OPERATING EXPENSES</b>					
Utility operations	667,033	369,703	102,942	1,139,678	-
Administration	555,338	356,484	27,758	939,580	-
Rib Mountain Sewerage District - services	-	919,189	-	919,189	-
Depreciation	626,971	744,225	360,446	1,731,642	-
Health claims and other employee benefits	-	-	-	-	502,879
Total Operating Expenses	1,849,342	2,389,601	491,146	4,730,089	502,879
Operating Income (Loss)	626,747	(58,649)	167,647	735,745	13,848
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	137,342	160,362	11,085	308,789	-
Net increase in fair value of investments	137,488	136,814	5,225	279,527	-
Gain (Loss) on sale of capital assets	6,824	11,029	-	17,853	-
Interest expense and fiscal charges	(88,343)	(49,945)	(53,130)	(191,418)	-
Amortization of bond discount	-	(2,351)	-	(2,351)	-
Amortization of loss on advance refunding	(1,328)	(19,659)	(1,964)	(22,951)	-
Debt service charge - Rib Mt. Sewerage Dist.	-	(161,243)	-	(161,243)	-
Other	11	-	-	11	-
Total Nonoperating Revenues (Expenses)	191,994	75,007	(38,784)	228,217	-
Income (Loss) Before Contributions and Transfers	818,741	16,358	128,863	963,962	13,848
Capital contributions	-	4,350	52,771	57,121	-
Transfer out - general fund	(1,998)	(1,998)	-	(3,996)	-
Transfer out - debt service	(6,431)	(6,431)	(3,328)	(16,190)	-
Transfers out - tax equivalent	(465,399)	(15,154)	-	(480,553)	-
Change in Net Position	344,913	(2,875)	178,306	520,344	13,848
NET POSITION - January 1	24,361,477	26,452,788	9,671,600	60,485,865	82,456
NET POSITION - December 31	\$ 24,706,390	\$ 26,449,913	\$ 9,849,906	\$ 61,006,209	\$ 96,304

See accompanying notes to financial statements.

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**VILLAGE OF WESTON**

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,621,212	\$ 2,327,477	\$ 657,928	\$ 5,606,617	\$ 522,370
Payments to suppliers for goods and services	(378,645)	(1,130,513)	(65,184)	(1,574,342)	(454,140)
Payments to employees	(562,139)	(288,904)	(62,263)	(913,306)	-
Net Cash Provided (Used) by Operating Activities	<u>1,680,428</u>	<u>908,060</u>	<u>530,481</u>	<u>3,118,969</u>	<u>68,230</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Paid to municipality for tax equivalent	(464,977)	(15,657)	-	(480,634)	-
Advance from (to) Sewer Utility	-	156,502	(156,502)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(464,977)</u>	<u>140,845</u>	<u>(156,502)</u>	<u>(480,634)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Additions to capital assets	(619,277)	(291,174)	(104,238)	(1,014,689)	-
Special assessments received	-	8,951	-	8,951	-
Special assessments placed on tax roll	-	1,687	-	1,687	-
Proceeds from the sale of capital assets	12,898	12,898	-	25,796	-
Proceeds from capital debt	681,974	776,447	-	1,458,421	-
Principal paid	(260,000)	(325,000)	(229,945)	(814,945)	-
Interest paid on long-term debt	(72,374)	(35,059)	(50,138)	(157,571)	-
Debt service charge paid to Rib Mt. Sewerage Dist.	-	(161,243)	-	(161,243)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(256,779)</u>	<u>(12,493)</u>	<u>(384,321)</u>	<u>(653,593)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(732,000)	(984,300)	-	(1,716,300)	-
Sale of investments	1,222,000	694,000	-	1,916,000	-
Income on investments	134,119	131,283	11,085	276,487	-
Net Cash Provided (Used) by Investing Activities	<u>624,119</u>	<u>(159,017)</u>	<u>11,085</u>	<u>476,187</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,582,791	877,395	743	2,460,929	68,230
CASH AND CASH EQUIVALENTS - Beginning	<u>1,397,315</u>	<u>1,933,784</u>	<u>235,152</u>	<u>3,566,251</u>	<u>32,312</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 2,980,106</u>	<u>\$ 2,811,179</u>	<u>\$ 235,895</u>	<u>\$ 6,027,180</u>	<u>\$ 100,542</u>

VILLAGE OF WESTON

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds			Totals Current Year	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Stormwater Utility		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 626,747	\$ (58,649)	\$ 167,647	\$ 735,745	\$ 13,848
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	626,971	744,225	360,446	1,731,642	-
Nonoperating other revenue	11	-	-	11	-
Change in pension related assets, deferred outflows, and deferred inflows	36,719	21,241	3,831	61,791	-
Change in OPEB related assets, deferred outflows, and deferred inflows	3,000	1,066	1,473	5,539	-
Changes in assets and liabilities					
Taxes receivable	245	(423)	(593)	(771)	-
Accounts receivable	147,065	(5,611)	(272)	141,182	5,955
Intergovernmental receivables	859	2,559	-	3,418	-
Inventories	2,941	-	-	2,941	-
Prepaid items	542	380	-	922	46,298
Accounts payable	186,605	257,384	241	444,230	2,441
Intergovernmental payables	-	73	-	73	-
Other accrued liabilities	5,028	1,222	1,036	7,286	-
Compensated absences	4,101	4,101	-	8,202	-
Customer deposits payable	(3,057)	-	-	(3,057)	-
Meter allocation	51,080	(51,080)	-	-	-
Operating lease payment	(6,431)	(6,431)	(3,328)	(16,190)	-
Payment to general fund for plotter	(1,998)	(1,998)	-	(3,996)	-
Unearned revenue	-	-	-	-	(312)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 1,680,428</b>	<b>\$ 908,059</b>	<b>\$ 530,481</b>	<b>\$ 3,118,968</b>	<b>\$ 68,230</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>					
Cash and investments - statement of net position - proprietary funds	\$ 6,391,554	\$ 7,468,557	\$ 4,181	\$ 13,864,292	\$ 100,542
Restricted cash and investments - statement of net position - proprietary fund					
Revenue bond redemption account	299,821	359,280	217,415	876,516	-
Revenue bond construction account	-	405,336	-	405,336	-
Revenue bond reserve account	202,118	374,760	189,000	765,878	-
Total Cash and Investments	6,893,493	8,607,933	410,596	15,912,022	100,542
Less: Non-Cash Equivalents	(3,913,387)	(5,796,754)	(174,701)	(9,884,842)	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,980,106</b>	<b>\$ 2,811,179</b>	<b>\$ 235,895</b>	<b>\$ 6,027,180</b>	<b>\$ 100,542</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Developer and customer financed additions to utility plant	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

# VILLAGE OF WESTON

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND December 31, 2019

---

	<u>Custodial Fund</u>
	Property Tax
	<u>          </u>
<b>ASSETS</b>	
Cash and investments	\$ 6,162,453
Taxes receivable	<u>9,871,684</u>
<b>TOTAL ASSETS</b>	<b><u>16,034,137</u></b>
<b>LIABILITIES</b>	
Due to other governments	6,162,453
<b>NET POSITION</b>	
Restricted for other governments	<u>9,871,684</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 16,034,137</u></b>

# VILLAGE OF WESTON

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND For the Year Ended December 31, 2019

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	<u>Custodial Fund</u> <u>Property</u> <u>Tax</u>
<b>ADDITIONS</b>	
Taxes and Special Charges collected	\$ 15,402,592
<b>DEDUCTIONS</b>	
Payments to other taxing districts	<u>15,061,495</u>
CHANGE IN NET POSITION	341,097
NET POSITION - Beginning	-
Change in accounting principal	<u>9,530,587</u>
NET POSITION - Ending	<u><u>\$ 9,871,684</u></u>

**VILLAGE OF WESTON**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019

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# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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, 2019

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### 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, 2019

---

**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 – Capital Improvements – accounts for the receipts and disbursements of capital related items for the Village.

The Village reports the following major enterprise funds:

Water Utility – accounts for operations of the water system.

Sewer Utility – accounts for operations of the sewer system.

Stormwater Utility – accounts for operations of the stormwater system.

The Village reports the following non-major governmental funds:

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

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

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

TIF District #1

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 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, 2019

---

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

---

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

***Fund Financial Statements (cont.)***

Fiduciary Funds – Tax Collection – 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, 2019

---

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

---

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

##### ***Fund Financial Statements*** (cont.)

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

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

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

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

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

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

##### ***All Financial Statements***

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

# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

---

### 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, 2019

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

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**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, 2019, 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 – 2019 tax roll:

Lien date and levy date	November 2019
Tax bills mailed	December 14, 2019
Payment in full, or	January 31, 2020
- First installment due	January 31, 2020
- Second installment due to Marathon County	July 31, 2020
Personal property taxes due in full	January 31, 2020
Tax settlement with other governmental units:	
- First settlement	January 15, 2020
- Second settlement	February 20, 2020
- Final settlement	August 20, 2020
Tax deed sale by Marathon County:	
- 2019 delinquent real estate taxes	October 2022

# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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

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#### **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 any allowance for uncollectible accounts (\$0). Delinquent real estate taxes as of July 31 are paid in full by Marathon County, which assumes the collection thereof. No provision for uncollectible utility accounts receivable has been made for the water utility, sewer utility, and stormwater utility because they have the right by law to place delinquent bills on the tax roll.

###### *Interfund Transactions*

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

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

##### **3. Inventories and Prepaid Items**

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

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

##### **4. Restricted Assets**

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

##### **5. Capital Assets**

###### **Government-Wide Statements**

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

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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**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, 2019

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

---

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

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has 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, 2019

---

**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, 2019, 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, 2019 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, 2019

**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	\$18,650,685	\$46,597,134	\$(5,976,826)	\$59,270,993
Unrestricted	(852,346)	13,564,894	5,976,826	18,689,374

# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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

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

##### **13. 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, 2019

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

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**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 \$27,903,268 difference in liabilities is as follows:

General obligation bonds and notes payable	\$8,196,109
Revenue bonds payable	17,885,000
Lease payable	320,536
Compensated absences	144,313
Advances from developers on TIF District letters of credit	813,064
Accrued interest	247,509
Unamortized debt discounts and premiums	<u>296,737</u>
Net Adjustment to Reduce Fund Balance – Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$27,903,268</u>

# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### 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 \$37,000 in the General Fund revenues and expenditures, an increase of \$195,754 in the Debt Service Fund revenue and expenditures, and an increase of \$2,582,544 in revenues and \$1,965,915 in expenditures in the Capital Projects Fund. The Village Board properly authorized all supplemental appropriations for budget year 2019. 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, 2019

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

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**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following expenditure cost centers had excess of actual expenditures over budget for the year ended December 31, 2019.

	<u>Excess Expenditures</u>
<b>Special Revenue Funds</b>	
Community Development Auth – TIF District #1	\$ 51
TIF District #2	276,325
Room Tax	67,011
Park and Recreation	97
<b>Capital Project Funds</b>	
TIF District #1	148,639

The excess amounts that occurred in Special Revenue Fund - Community Development Authority – TIF District #1 was covered by a transfer in from Special Revenue - TIF District #1. The Special Revenue Fund – TIF District #2, Special Revenue – Room Tax, and Special Revenue – Park and Recreation were covered by excess funds. Capital Projects Fund – TIF District #1 was covered with a transfer from Special Revenue Fund – TIF District #1.

**C. DEFICIT BALANCES**

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

As of December 31, 2019, no individual funds held a deficit balance.

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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, 2019 Series B, and 2019 Series C revenue bonds.

**Insurance**

The water, sewer and stormwater utilities are covered under the following insurance policies at December 31, 2019 (unaudited):

Type	Coverage	Expiration Date
<i>MPIC Insurance</i>		
Building, Personal Property & Property in the Open and Contractor’s Equipment	\$42,752,005	12/31/2019
<i>League of Wisconsin Municipalities Mutual Insurance</i>		
General Liability	\$4,000,000	12/31/2019
Automobile	4,000,000	12/31/2019

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	\$2,476,089	\$2,330,952	\$ 658,793
Investment earnings	137,342	160,362	11,085
Less: Operations and maintenance expenses	<u>(1,222,371)</u>	<u>(1,645,376)</u>	<u>(130,699)</u>
Net Defined Earnings	<u>\$1,391,060</u>	<u>\$ 845,938</u>	<u>\$ 539,179</u>
Minimum Required Earnings per Resolution:			
Highest annual debt service	\$ 415,466	\$ 360,060	\$245,743
Coverage factor	<u>1.25</u>	<u>1.25</u>	<u>1.25</u>
Minimum Required Earnings	<u>\$ 519,333</u>	<u>\$ 450,075</u>	<u>\$ 307,179</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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 2019 (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	5,277	201,636	5,266	193,167	4,775	4,509
Commercial	422	102,016	579	142,235	483	6,226
Industrial	32	286,642	29	28,458	26	1,542
Public Authority	40	19,430	23	9,766	26	771
Other	<u>170</u>	<u>62,976</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>159</u>
Totals	<u>5,941</u>	<u>672,700</u>	<u>5,897</u>	<u>373,626</u>	<u>5,324</u>	<u>13,207</u>

**Utility Budget**

The 2019 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	\$2,757,754	\$2,543,208	\$2,412,841	\$2,359,825
Sewer Utility	2,639,157	2,406,650	2,646,382	2,390,137
Stormwater Utility	675,103	644,200	549,568	595,735

\* Excluding capital contribution revenue sources in the Sewer Utility actual of \$4,350, Sewer Utility budget of \$15,000, and the Stormwater Utility actual of \$52,771.

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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	\$ 22,005,554	\$ 22,049,264	Custodial credit
Certificates of deposits	4,478,589	4,478,589	Custodial credit
Petty cash	<u>2,972</u>	<u>-</u>	N/A
Total cash	<u>\$26,487,115</u>	<u>\$26,527,853</u>	
Wisconsin Local Government Investment Pool (LGIP)	\$ 1,016,451		Credit, Interest rate
Wisconsin Investment Series Coop (WISC)	998,972		Credit, Interest rate
Municipal securities	500,000		Credit, Custodial credit, Interest rate, Concentration of credit
Negotiable certificates of deposits	2,580,289		Credit, Custodial credit, Interest rate, Concentration of credit
U.S. Government treasury securities	318,390		Custodial credit, Interest rate
U.S. Government agency securities	5,647,295		Credit, Custodial credit, Interest rate, Concentration of credit
Total investments	<u>11,061,397</u>		
Total cash and investments	<u>\$ 37,548,512</u>		
Reconciliation to financial statements:			
Per statement of net position			
Unrestricted cash and investments	\$27,426,658		
Restricted cash and investments	3,959,401		
Per statement of fiduciary net position			
Agency Funds	<u>6,162,453</u>		
Total cash and investments	<u>\$37,548,512</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, 2019, 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, 2019

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

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

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

**Fair Value Measurements:** The Village categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following fair value measurements as of December 31, 2019:

Investment Type	Fair Value Measuring Using		
	Level 1	Level 2	Level 3
U.S. Agencies		\$ 5,647,295	
U.S. Treasuries		318,390	
Negotiable CD's		2,580,289	
Municipal Securities		500,000	
External Investments		<u>2,015,423</u>	
Total		<u>\$11,061,397</u>	

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

As of December 31, 2019, \$19,287,861 of the Village's bank balances of \$26,527,853 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized demand deposits	\$18,440,925
Uninsured and uncollateralized certificates of deposit	<u>846,936</u>
	<u>\$19,287,861</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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, 2019, 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, 2019, 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, 2019, 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, 2019, the investment portfolio had concentrations of investments greater than 5% of the total portfolio as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
Federal Farm Credit Bank	U.S. Government agency notes and mortgage-backed securities	5.31%
Federal Home Loan Mortgage Corp.	U.S. Government agency notes and mortgage-backed securities	16.06%
Federal Home Loan Bank	U.S. Government agency notes and mortgage-backed securities	5.27%
Federal National Mortgage Association	U.S. Government agency notes and mortgage-backed securities	29.49%

**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, 2019, 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, 2019

**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)	\$ 1,016,451	17	
Wisconsin Investment Series	998,972	24-51	
U.S. Government agency notes	5,647,295		5.24
Negotiable certificates of deposit	2,580,289		1.60
Municipal securities	500,000		5.50
Externally managed portfolios:			
U.S. Government treasury securities	318,390	43	
Total fair value	<u>\$11,061,397</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, 2019, the Village's portfolio did not comprise of any deposits or investments denominated in foreign currencies.

**B. RECEIVABLES**

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

Revenues of the Village are reported net of an allowance for uncollectible amounts. There was no allowance for uncollectible amounts in 2019.

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	\$ -	\$13,169,933	\$13,169,933
Unearned revenue	-	1,226	1,226
Special assessments	48,180	-	48,180
Receivables not received within 60 days of year-end	293,048	-	293,048
Total deferred inflows / unearned revenue	<u>\$ 341,228</u>	<u>\$13,171,159</u>	<u>\$13,512,387</u>

On the statement of net position \$69 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, 2019

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

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**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	\$ 765,878
Revenue bond redemption account	876,516
Revenue bond construction account	<u>405,336</u>
Total Restricted Assets	<u>2,047,730</u>
Less: Restricted Assets Not Funded by Revenues	
Revenue bond reserve account	(765,878)
Revenue bond construction account	<u>(405,336)</u>
Total Restricted Assets Not Funded by Revenues	<u>(1,171,214)</u>
Current Liabilities Payable From Restricted Assets	<u>(32,335)</u>
Total Restricted Net Position for debt service as Calculated	<u>\$ 844,181</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

<b><u>Governmental Activities</u></b>	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 6,155,218	\$ -	\$(164,405)	\$ 5,990,813
Right-of-ways	659,475	-	-	659,475
Construction in progress	28,640	113,330	(28,640)	113,330
Total Capital Assets Not Being Depreciated	<u>6,843,333</u>	<u>113,330</u>	<u>(193,045)</u>	<u>6,763,618</u>
Capital Assets Being Depreciated:				
Land improvements	6,295,993	15,924	-	6,311,917
Buildings	6,910,471	-	-	6,910,471
Equipment, furniture, and fixtures	5,070,133	392,361	(92,445)	5,370,049
Road/streets, Curb/gutters, and Driveway approaches	72,727,541	168,908	(123,187)	72,773,262
Bridges	2,512,132	-	-	2,512,132
Street lighting	1,659,097	-	-	1,659,097
Traffic signals	1,053,510	-	-	1,053,510
Sidewalks	3,736,738	-	-	3,736,738
Total Capital Assets Being Depreciated	<u>99,965,615</u>	<u>577,193</u>	<u>(215,632)</u>	<u>100,327,176</u>
Less Accumulated Depreciation for:				
Land improvements	4,015,705	311,532	-	4,327,237
Buildings	3,441,748	153,412	-	3,595,160
Equipment, furniture, and fixtures	3,172,445	294,831	(85,327)	3,381,949
Road/streets, Curb/gutters, and Driveway approaches	52,762,962	2,802,802	(123,187)	55,442,577
Bridges	530,536	62,804	-	593,340
Street lighting	1,056,536	81,511	-	1,138,047
Traffic signals	759,977	40,395	-	800,372
Sidewalks	2,448,268	187,380	-	2,635,648
Total Accumulated Depreciation	<u>68,188,177</u>	<u>3,934,667</u>	<u>(208,514)</u>	<u>71,914,330</u>
Capital Assets, Net of Depreciation	<u>\$38,620,771</u>	<u>\$ (3,244,144)</u>	<u>\$ (200,163)</u>	<u>\$35,176,464</u>

Depreciation expense was charged to functions as follows:

<b><u>Governmental Activities</u></b>	
General government	\$ 40,636
Public safety	72,287
Public works, which includes the depreciation of infrastructure	3,665,059
Parks, recreation, and education	156,685
Total Governmental Activities Depreciation Expense	<u>\$ 3,934,667</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Water Utility</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 568,259	\$ -	\$ -	\$ 568,259
Intangible plant - organizational costs	319	-	-	319
Construction in progress	193,380	231,938	-	425,318
Total Capital Assets Not Being Depreciated	761,958	231,938	-	993,896
Capital Assets Being Depreciated:				
Wells and springs	597,507	-	-	597,507
Buildings and systems	1,028,656	-	-	1,028,656
Improvements other than buildings	26,168,044	202,851	(28,427)	26,342,468
Machinery and equipment	2,163,512	184,488	(47,703)	2,300,297
Total Capital Assets Being Depreciated	29,957,719	387,339	(76,130)	30,268,928
Less Accumulated Depreciation for:				
Wells and springs	271,918	17,328	-	289,246
Buildings and systems	512,985	32,854	-	545,839
Improvements other than buildings	7,539,610	520,974	(28,427)	8,032,157
Machinery and equipment	1,259,143	106,895	(41,630)	1,324,408
Total Accumulated Depreciation	9,583,656	678,051	(70,057)	10,191,650
Capital Assets, Net of Depreciation	\$ 21,136,021	\$ (58,774)	\$ (6,073)	\$ 21,071,174
<b><u>Sewer Utility</u></b>				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 2,200	\$ 246,186	\$ -	\$ 248,386
Capital Assets Being Depreciated:				
Buildings and systems	2,135,655	-	-	2,135,655
Improvements other than buildings	28,981,039	44,988	-	29,026,027
Machinery and equipment	849,778	-	(18,688)	831,090
Total Capital Assets Being Depreciated	31,966,472	44,988	(18,688)	31,992,772
Less Accumulated Depreciation for:				
Buildings and systems	465,184	42,106	-	507,290
Improvements other than buildings	12,255,367	574,754	-	12,830,121
Machinery and equipment	216,529	76,285	(16,820)	275,994
Total Accumulated Depreciation	12,937,080	693,145	(16,820)	13,613,405
Capital Assets, Net of Depreciation	\$ 19,031,592	\$ (401,971)	\$ (1,868)	\$ 18,627,753

## VILLAGE OF WESTON

### NOTES TO FINANCIAL STATEMENTS December 31, 2019

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

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Stormwater Utility</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 54,774	\$ -	\$ -	\$ 54,774
Capital Assets Being Depreciated:				
Improvements other than buildings	17,426,553	157,009	-	17,583,562
Machinery and equipment	4,634	-	-	4,634
Total Capital Assets Being Depreciated	17,431,187	157,009	-	17,588,196
Less Accumulated Depreciation for:				
Improvements other than buildings	6,116,329	360,446	-	6,476,775
Machinery and equipment	4,634	-	-	4,634
Total Accumulated Depreciation	6,120,963	360,446	-	6,481,409
Capital Assets, Net of Depreciation	\$ 11,364,998	\$ (203,437)	\$ -	\$ 11,161,561
Total Business-Type Activities	\$ 51,532,611	\$ (664,182)	\$ (7,941)	\$ 50,860,488

Depreciation expense was charged to functions as follows:

#### **Business-Type Activities**

Water	\$ 626,971
Sewer	744,225
Stormwater	360,446
Total Business-Type Activities Depreciation Expense	\$ 1,731,642

The difference between the depreciation expense reported for water on the income statement (\$626,971) and what is reported in the footnote (\$678,051) 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 (\$744,225) and what is reported in the footnote (\$693,145) is related to the depreciation expense allocated from water to sewer on the water meters.

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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	Enterprise – sewer utility	\$ 15,154
General	Enterprise – water utility	<u>465,399</u>
Sub-Total - Fund Financial Statements		480,553
Less: Elimination to government-wide statements		<u>-</u>
Total Government-Wide Financial Statements		<u>\$ 480,553</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 480,553
Total Government-Wide Financial Statements		<u>\$ 480,553</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 (\$465,399) and due from the sewer utility to the general fund (\$15,154), and tax roll collections that were not distributed before year-end.

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	\$ 183,106	<u>\$ 183,106</u>
Less: Elimination to government-wide statements		<u>(183,106)</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, 2019

**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
<b>General Fund</b>			
	Water Utility	\$ 465,399	Payment in lieu of taxes
	Sewer Utility	15,154	Payment in lieu of taxes
	Water Utility	1,998	Plotter share
	Sewer Utility	1,998	Plotter share
	Subtotal	484,549	
<b>Debt Service</b>			
	General Fund	3,328	Debt service
	Capital Improvements	290,856	Debt service
	Refuse/Recycling	90,012	Debt service
	TIF District #1	974,471	Debt service
	CDA/TIF District #1	1,547,738	Debt service
	CDA/TIF District #2	246,079	Debt service
	Water Utility	6,431	Debt service
	Sewer Utility	6,431	Debt service
	Stormwater Utility	3,328	Debt service
	Subtotal	3,168,674	
<b>Special Revenue</b>			
<b>CDA/TIF District #1</b>	TIF District #1	4,045	Operating subsidy
<b>Capital Projects</b>			
	Room Tax	101,094	Capital Equipment
<b>Non-major</b>			
<b>Special Revenue</b>			
	General Fund	27,165	Operating subsidy
	TIF District #2	13,028	Operating subsidy
	Room Tax	40,000	Operating subsidy
<b>Non-major</b>			
<b>Capital Projects</b>			
	TIF District #1	125,389	Operating subsidy
	Subtotal	205,582	
Sub-Total – Fund Financial Statements		3,963,944	
Less: Elimination to government-wide statements		(3,463,205)	
Total		\$ 500,739	

Transferred From	Transferred To	Amount
Business-type activities	Governmental activities	\$ 500,739
Less: Governmental activities	Business-type activities	-
Total Government-Wide Financial Statements		\$ 500,739

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, 2019

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 2019, \$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, 2019, were as follows:

<u>Year</u>	<u>Governmental Activities</u>
2020	\$ 190,831
2021	143,930
Total minimum lease payments	334,761
Less: amount representing interest	(14,225)
Present value of minimum lease payments	<u>\$ 320,536</u>

**Default With Finance Related Consequences** - The 1/8/16 lease – direct placement (caterpillar lease) contains a provision that in the event of default the lessor may declare all lease payments due or to become due during the fiscal year in which the default occurs and/or the units may be repossessed. Additionally, if there were any extended warranty agreements, the lessor may cancel the agreements on the lessee behalf and the lessor will receive any refunds.

The 2/19/16 lease – direct placement, 4/1/16 lease – direct placement, and 3/15/17 lease – direct placement contain a provision that in event of default, the lessor may declare, with or without terminating the lease all rental payments and other amounts payable by lessee to the end of the then current budget year to be immediately due and payable. The lessor may also require the lessee at the lessee expense to redeliver any of the equipment to a lessor specified location. If the equipment is not delivered, the lessor may repossess the equipment and charge the lessee for lessor costs to recover the equipment. The lessee would still be required to pay the remaining rental payments under the lease due up until the end of the then current original term or renewal term.

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 2019, 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, 2019, were as follows:

<u>Year</u>	<u>Governmental Activities</u>
2020	\$ 99,800
Total minimum lease payments	99,800
Less: amount representing interest	(3,215)
Present value of minimum lease payments	<u>\$ 96,585</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

**H. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
Notes payable - direct placement	\$ 2,721,938	\$ 3,851,579	\$ 1,081,939	\$ 5,491,578	\$ 2,441,506
Revenue bonds	19,215,000	-	1,330,000	17,885,000	1,350,000
Notes payable - direct borrowing	4,470,665	-	1,766,135	2,704,530	2,526,434
Add (Subtract) Deferred Amount for:					
Discounts	(9,982)	-	(2,039)	(7,943)	(1,850)
Premiums	46	326,814	22,180	304,680	22,179
Sub-Total	<u>26,397,667</u>	<u>4,178,393</u>	<u>4,198,215</u>	<u>26,377,845</u>	<u>6,338,269</u>
Other Liabilities:					
Vested compensated absences	141,364	192,917	189,968	144,313	6,647
Leases - direct placement	695,870	-	375,334	320,536	180,906
Wisconsin Retirement System					
Net pension liability	-	328,136	-	328,136	-
LRLIF	81,056	-	13,898	67,158	-
Advances from developers on					
TIF District letters of credit	937,234	-	124,170	813,064	127,592
Total Other Liabilities	<u>1,855,524</u>	<u>521,053</u>	<u>703,370</u>	<u>1,673,207</u>	<u>315,145</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 28,253,191</u>	<u>\$ 4,699,446</u>	<u>\$ 4,901,585</u>	<u>\$ 28,051,052</u>	<u>\$ 6,653,414</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
Notes Payable - direct placement	\$ 39,945	\$ 1,458,421	\$ 39,945	\$ 1,458,421	\$ 303,494
Revenue bonds	5,505,000	-	775,000	4,730,000	805,000
Add (Subtract) Deferred Amount for:					
Discounts	(5,093)	-	(2,351)	(2,742)	(2,351)
Sub-Total	<u>5,539,852</u>	<u>1,458,421</u>	<u>812,594</u>	<u>6,185,679</u>	<u>1,106,143</u>
Other Liabilities:					
Vested compensated absences	22,848	39,502	31,300	31,050	-
Wisconsin Retirement System					
Net pension liability	-	151,963	-	151,963	-
LRLIF	35,740	-	4,585	31,155	-
Total Other Liabilities	<u>58,588</u>	<u>191,465</u>	<u>35,885</u>	<u>214,168</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,598,440</u>	<u>\$ 1,649,886</u>	<u>\$ 848,479</u>	<u>\$ 6,399,847</u>	<u>\$ 1,106,143</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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, 2019, was \$63,822,705. Total general obligation debt outstanding at year-end was \$9,654,529.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12/31/19
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Debt					
General Obligation Promissory Notes, 2019A - Direct Placement	5/1/2019	3/1/2029	3.00 – 4.00%	\$ 3,851,579	\$ 3,851,579
General Obligation Promissory Notes, 2018A - Direct Borrowing	8/27/2018	8/27/2021	3.28%	2,000,000	2,000,000
General Obligation Promissory Notes, 2016 - Direct Borrowing	10/10/2016	10/10/2021	2.15%	433,500	146,200
General Obligation Promissory Notes, Series 2013A - Direct Borrowing	9/26/2013	9/26/2023	2.43%	870,000	347,609
Taxable General Obligation Promissory Notes, Series 2013B - Direct Borrowing	9/24/2013	9/24/2021	3.99%	845,000	210,720
Taxable General Obligation Promissory Notes, Series 2010B - Direct Placement	12/21/2010	12/1/2020	1.15 – 4.35%	5,400,000	1,640,000
Total Governmental Activities – General Obligation Debt					<u>\$ 8,196,108</u>

**Default With Finance Related Consequences** - The 8/27/18 note payable - direct borrowing contains a provision that in event of default, outstanding amounts become immediately due if the Village is unable to make the payment and interest will be charged at 12% per year with all expenses of collection paid by Village. The 9/24/13 note payable – direct borrowing, 9/26/13 – direct borrowing, and 10/10/16 – direct borrowing contain a provision that in event of default, outstanding amounts become immediately due if the Village is unable to make the payment.

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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

**General Obligation Debt (cont.)**

**Subjective Acceleration Clause** - The 9/24/13 note payable - direct borrowing, the 9/26/13 – direct borrowing, and the 10/10/16 – direct borrowing contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that false information was provided in regards to issuance, a material adverse change occurs, there was a failure to observe or perform any covenants or duties in the note, or the lender deems itself insecure.

	Date of Issue	Final Maturity	Interest Rates	Indebtedness	Balance 12/31/19
<b>BUSINESS-TYPE ACTIVITIES</b>					
General Obligation Debt					
General Obligation Promissory					
Notes, 2019A - Water Direct Placement	5/1/2019	3/1/2029	3.00 – 4.00%	\$ 681,974	\$ 681,974
General Obligation Promissory					
Notes, 2019A - Sewer Direct Placement	5/1/2019	3/1/2029	3.00 – 4.00%	776,447	776,447
Total Business-Type Activities – General Obligation Debt					\$ 1,458,421

Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	Notes Payable - Direct Borrowing and Placement			Leases - Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 4,967,940	\$ 295,391	\$ 5,263,331	\$ 180,906	\$ 9,925	\$ 190,831
2021	497,248	110,347	607,595	139,630	4,300	143,930
2022	322,778	91,720	414,498	-	-	-
2023	268,377	79,897	348,274	-	-	-
2024	337,285	67,783	405,068	-	-	-
2025-2029	1,802,480	144,470	1,946,950	-	-	-
<b>Totals</b>	<b>\$ 8,196,108</b>	<b>\$ 789,608</b>	<b>\$ 8,985,716</b>	<b>\$ 320,536</b>	<b>\$ 14,225</b>	<b>\$ 334,761</b>

Years	Business-Type Activities		
	Notes from Direct Placements		
	Principal	Interest	Total
2020	\$ 303,494	\$ 66,128	\$ 369,622
2021	120,848	39,592	160,440
2022	122,222	34,730	156,952
2023	101,623	30,253	131,876
2024	127,715	25,667	153,382
2025-2029	682,519	54,704	737,223
<b>Totals</b>	<b>\$ 1,458,421</b>	<b>\$ 251,074</b>	<b>\$ 1,709,495</b>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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, 2019 consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Indebted- ness</u>	<u>Balance 12/31/19</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Revenue Debt					
Community Development Authority					
Lease Revenue Bonds, Series 2017A	7/13/2017	10/1/2031	1.25 – 3.00%	\$19,255,000	\$16,990,000
Community Development Authority					
Lease Revenue Bonds, Series 2005C	4/15/2005	10/1/2020	2.80 – 4.65%	920,000	85,000
Community Development Authority					
Lease Revenue Bonds, Series 2004B	8/9/2004	10/1/2025	3.00 – 4.75%	1,815,000	<u>810,000</u>
Total Governmental Activities – Revenue Debt					<u>\$ 17,885,000</u>
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Indebted- ness</u>	<u>Balance 12/31/19</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Revenue Debt					
Sanitary Sewerage System					
Revenue Bonds, Series 2008	6/23/2008	3/1/2021	3.25 – 4.10%	\$4,525,000	\$ 705,000
Water System Revenue Bonds,					
Series 2018B	11/1/2018	5/1/2038	2.10 – 3.90%	2,585,000	2,325,000
Stormwater Revenue Bonds,					
Series 2018C	11/1/2018	11/1/2027	2.15 – 3.00%	1,890,000	<u>1,700,000</u>
Total Business-Type Activities – Revenue Debt					<u>\$ 4,730,000</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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 Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,350,000	\$ 439,032	\$ 1,789,032	\$ 805,000	\$133,218	\$ 938,218
2021	1,285,000	412,385	1,697,385	830,000	108,530	938,530
2022	1,310,000	387,950	1,697,950	350,000	91,665	441,665
2023	1,340,000	361,125	1,701,125	355,000	83,090	438,090
2024	1,370,000	331,675	1,701,675	355,000	73,973	428,973
2025-2029	6,765,000	1,179,680	7,944,680	1,145,000	235,746	1,380,746
2030-2034	4,465,000	223,958	4,688,958	460,000	124,807	584,807
2035-2038	-	-	-	430,000	33,910	463,910
Totals	<u>\$17,885,000</u>	<u>\$3,335,805</u>	<u>\$ 21,220,805</u>	<u>\$4,730,000</u>	<u>\$884,939</u>	<u>\$5,614,939</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 May 1, 2019, the Village issued \$5,310,000 in general obligation notes Series A (with interest rates of 3.00 – 4.00%). Of the total amount, \$1,300,645 was used to current refund an outstanding general obligation note dated May 2016, \$4,145,232 was used for new projects; proceeds were higher than the par amount of the notes due to a reoffering premium of \$326,814.

The cash flow requirement on the refunded debt prior to the current refunding was \$1,514,027 for 2019. The cash flow requirements on the 2019A notes are \$1,334,550 from 2019 through 2029. 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 \$1,141.

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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**I. GOVERNMENTAL ACTIVITIES NET POSITION / FUND BALANCES**

***Governmental Activities Net Position***

Governmental activities net position reported on the government-wide statement of net position at December 31, 2019 includes the following:

Net Investment in Capital Assets:		
Land		\$ 5,990,813
Right-of-ways		659,475
Construction in progress		113,330
Other capital assets, net of accumulated depreciation		28,412,846
Less: related long-term debt outstanding, discount and premium, and loss net of debt used for utility asset contributions (\$5,976,826)	(\$17,808,004)	
Add: unspent debt proceeds	<u>1,282,225</u>	<u>(16,525,779)</u>
Total Net Investment in Capital Assets		<u>18,650,685</u>
Restricted:		
Community Development Authority – TIF District #1 (debt service reserve)		1,570,358
Community Development Authority – TIF District #2 (debt service reserve)		<u>251,253</u>
Total Restricted		<u>1,821,611</u>
Unrestricted (deficit):		<u>(852,346)</u>
Total Governmental Activities Net Position – December 31, 2019		<u>\$19,619,950</u>

***Governmental Fund Balances***

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

**Major Funds – Details of Fund Balance:**

**Nonspendable:**

General Fund	
Prepaid items/inventories	\$ 190,973
Due from SAFER	<u>651,407</u>
Total Nonspendable	<u>\$ 842,380</u>

**Restricted:**

Special Revenue Fund – Community Development Authority – TIF District #1	
Debt service	\$ 1,570,358
Debt Service Fund	<u>132,848</u>
Total Restricted	<u>\$ 1,703,206</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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

**Governmental Fund Balances (cont.)**

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

<b>Committed:</b>	
Capital Project Fund – Capital Improvements	<u>\$ 55,085</u>
<b>Assigned:</b>	
General Fund	
Public works department – Street lighting / Birch Street	\$ 7,500
Subsequent year’s expenditures - Parks	7,580
Subsequent year’s expenditures – Community Development	4,492
Special Revenue Fund – TIF District #1	3,863,200
Special Revenue Fund – CDA TIF District #1	95,309
Capital Project Fund – Capital Improvements	<u>1,227,141</u>
Total Assigned	<u>\$ 5,205,222</u>
<b>Unassigned:</b>	
General Fund	<u>\$ 2,526,452</u>

**Non-Major Funds – Details of Fund Balance:**

<b>Nonspendable:</b>	
Special Revenue Fund – Refuse/Recycling	\$ 917
Special Revenue Fund – Aquatic Center	<u>2,200</u>
Total Nonspendable	<u>\$ 3,117</u>
<b>Restricted:</b>	
Special Revenue Fund – Community Development Authority – TIF District #2	
Debt service	<u>\$ 251,253</u>
<b>Committed:</b>	
Special Revenue Fund – Civic and Social	\$ 5,736
Special Revenue Fund – Park and Recreation	<u>2,000</u>
Total Committed	<u>\$ 7,736</u>
<b>Assigned:</b>	
Special Revenue Fund – Aquatic Center	\$ 74,088
Special Revenue Fund – Refuse/Recycling	32,549
Special Revenue Fund – Civic and Social	9,636
Special Revenue Fund – Park and Recreation	23,647
Special Revenue Fund – TIF District #2	92,043
Special Revenue Fund – CDA - TIF District #2	4,938
Special Revenue Fund – Room Tax	<u>106,969</u>
Total Assigned	<u>\$ 343,870</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

**J. BUSINESS-TYPE ACTIVITIES NET POSITION**

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

	Water Utility	Sewer Utility	Stormwater Utility	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Plant in Service	\$ 30,837,506	\$ 31,992,772	\$ 17,642,970	\$ 80,473,248
Accumulated Depreciation	(10,191,650)	(13,613,405)	(6,481,409)	(30,286,464)
Construction in Progress	425,318	248,386	-	673,704
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Sub-Total	21,071,174	18,627,753	11,161,561	50,860,488
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Less: Capital Related Debt				
Current portion of capital related long-term debt	406,917	506,577	195,000	1,108,494
Long-term portion of capital related long-term debt	2,600,057	974,870	1,505,000	5,079,927
Unamortized loss on refunding	(6,974)	(22,936)	(15,220)	(45,130)
Unamortized discounts on bonds	-	(2,742)	-	(2,742)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Sub-Total	3,000,000	1,455,769	1,684,780	6,140,549
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Add: Unspent Debt Proceeds				
Unspent debt proceeds	220,709	485,271	-	705,980
Reserve from borrowing	202,118	374,760	189,000	765,878
Reserve from revenue bond construction account	-	405,336	-	405,336
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Sub-Total	422,827	1,265,367	189,000	1,877,194
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Net Investment in Capital Assets	<u>\$ 18,494,001</u>	<u>\$ 18,437,351</u>	<u>\$ 9,665,781</u>	<u>\$ 46,597,133</u>

# VILLAGE OF WESTON

## NOTES TO FINANCIAL STATEMENTS December 31, 2019

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### NOTE V – OTHER INFORMATION

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#### 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, 2019

**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 \$95,151 in contributions from the Village and \$44,040 from the Utilities.

Contributions rates as of December 31, 2019 are:

	<u>Employee</u>	<u>Employer</u>
General (including executives and elected officials)	6.70%	6.70%
Protective with Social Security	6.70%	10.70%
Protective without Social Security	6.70%	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>
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%
2018	2.40%	17.00%

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

At December 31, 2019, the Village reported a liability of \$328,136 for its proportionate share of the net pension liability. The Utilities reported a liability of \$151,963. Total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 liability 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, 2019

**NOTE V – OTHER INFORMATION**

**A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)**

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

At December 31, 2018, the Employer’s proportion was .01349470%, which was a decrease of .00073951% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized pension expense of \$239,392. The Utilities recognized pension expense of \$110,800.

At December 31, 2019, 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	\$ 373,924	\$ 660,964
Changes in Assumptions	80,927	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	701,151	-
Change in Proportion and Differences Between Contributions and Disproportionate share of Contributions	37,191	-
Contributions Subsequent to the Measurement Date	<u>140,757</u>	<u>-</u>
Total	<u>\$1,333,950</u>	<u>\$ 660,964</u>

\$96,221 reported as deferred outflows of resources related to pensions resulting from Village contributions and \$44,536 reported as deferred outflows of resources related to pensions resulting from Utilities’ contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. 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>
2020	\$477,889	\$341,358
2021	313,753	275,106
2022	302,118	246,270
2023	219,423	86,617
Thereafter	-	-

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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>
2020	\$ 221,188	\$157,995
2021	145,219	127,331
2022	139,833	113,986
2023	101,559	40,090
Thereafter	-	-

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2019 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, 2019

#### NOTE V – OTHER INFORMATION

##### A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
<u>Core Fund Asset Class:</u>			
Global Equities	49.0%	8.1%	5.5%
Fixed Income	24.5%	4.0%	1.5%
Inflation Sensitive Assets	15.5%	3.8%	1.3%
Real Estate	9.0%	6.5%	3.9%
Private Equity/Debt	8.0%	9.4%	6.7%
Multi-Asset	4.0%	6.7%	4.1%
Total Core Fund	110.0%	7.3%	4.7%
<u>Variable Fund Asset Class:</u>			
U.S Equities	70.0%	7.6%	5.0%
International Equities	30.0%	8.5%	5.9%
Total Variable Fund	100.0%	8.0%	5.4%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate. A single discount rate of 7.00% 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 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Village's Proportionate Share of the Net Pension Liability (Asset)	\$1,304,284	\$328,136	\$ (397,601)
Utilities' Proportionate Share of the Net Pension Liability (Asset)	\$603,680	\$151,963	\$ (184,028)

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, 2019

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NOTE V – OTHER INFORMATION (cont.)

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A. WISCONSIN RETIREMENT SYSTEM PENSION PLAN (cont.)

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

Payables to the Pension Plan

At December 31, 2019 the Village reported payables to WRS of \$25,177 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2019.

B. OTHER POSTEMPLOYMENT BENEFITS

**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, 2019 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, 2019

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

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**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, 2019 are as listed below:

Life Insurance Employee Contribution Rates\*  
For the year ended December 31, 2019

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

\*Disabled members under age 70 receive a waiver-of premium benefit.

During the reporting period, the LRLIF recognized \$734 in contributions from the employer, \$501 from the Village contributions, \$233 in Utility contributions.

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

At December 31, 2019, the Village reported a liability of \$67,158 for its proportionate share of the net OPEB liability and the Utility reported a liability of \$31,155. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, Employer's proportion was .03810100%, which was a decrease of .00072% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Village recognized OPEB expense of \$7,248 and the Utilities recognized \$3,362.

## VILLAGE OF WESTON

### NOTES TO FINANCIAL STATEMENTS December 31, 2019

#### 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, 2019, 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	\$ -	\$ 4,988
Changes in assumptions	9,381	21,310
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,350	-
Changes in Proportion and Differences Between Contributions and Proportionate share of Contributions	6,186	1,688
Contributions Subsequent to the Measurement Date	<u>4,785</u>	<u>-</u>
Total	<u>\$ 22,702</u>	<u>\$ 27,986</u>

\$4,785 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, 2019. 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>
2020	\$ 2,380	\$ 3,126
2021	2,380	3,126
2022	2,380	3,126
2023	2,154	3,126
Thereafter	2,946	6,614

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>
2020	\$ 1,104	\$ 1,450
2021	1,104	1,450
2022	1,104	1,450
2023	1,000	1,450
Thereafter	1,365	3,068

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

**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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB 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 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, 2018**

<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%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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 4.22% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63% for the prior year. 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. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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 4.22 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 (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	1% Decrease to Discount Rate <u>(3.22%)</u>	Current Discount Rate <u>(4.22%)</u>	1% Increase to Discount Rate <u>(5.22%)</u>
Village’s Proportionate Share of the Net OPEB Liability	\$95,536	\$67,158	\$45,270
Utilities’ Proportionate Share of the Net OPEB Liability	\$44,321	\$31,155	\$21,002

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://ctf.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 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, 2019

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

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#### **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, 2019

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 2019 is for the Village of Weston to pay 77.83%, the Town of Weston to pay 3.42%, and the City of Schofield to pay 18.75% of the actual expenditures. The municipal court’s current cost proration for 2019 is for the Village of Weston to pay 67.50%, the Town of Weston to pay 2.88%, and the City of Schofield to pay 29.62%. The 2019 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 \$2,617,693 in 2019 for the operations of the EMPD and \$57,226 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, 2019, which are the most recently audited financial statements, is as follows:

<b>Assets</b>	
Current assets	\$1,118,897
Capital assets, net of depreciation	235,494
Total assets	<u>\$1,354,391</u>
<b>Deferred Outflows of Resources</b>	
Proportionate share of WRS pension plan	\$1,741,657
Pension contributions for subsequent year	229,603
Proportionate share of other postemployment benefit	10,232
Other postemployment benefit contributions for subsequent year	3,038
Total deferred outflows of resources	<u>\$1,984,530</u>
<b>Liabilities</b>	
Current liabilities	\$ 266,766
Net pension liability	721,855
Net postemployment benefit liability	66,413
Noncurrent portion of long-term obligations	98,301
Total liabilities	<u>\$1,153,335</u>
<b>Deferred Inflows of Resources</b>	
Proportionate share of WRS pension plan	\$999,477
Other postemployment related amounts	17,796
Total deferred inflows of resources	<u>\$1,017,273</u>
<b>Net Position</b>	
Net investment in capital assets	\$ 235,494
Restricted for postemployment benefits	249,928
Unrestricted	682,891
Total net position	<u>\$1,168,313</u>

**VILLAGE OF WESTON**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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

<b>Revenue</b>	
Received from Village of Weston	\$2,674,919
Received from City of Schofield	655,673
Received from Town of Weston	117,442
Other revenue	<u>342,274</u>
Total revenue	3,790,308
<b>Expenses</b>	<u>3,990,609</u>
<b>Change in net position</b>	<u><b>\$(200,301)</b></u>

The financial and payroll administration of the EMPS is performed by the employees of the Village of Weston. In 2019, 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 2019 is for the Village of Weston to pay 67.84% and the Town of Rib Mountain to pay 32.16% 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 \$831,176 in 2019 for the operations and \$480,710 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, 2019, which are the most recently audited financial statements, is as follows:

<b>Assets</b>	
Current assets	\$ 375,081
Capital assets, net of depreciation	<u>2,039,606</u>
Total assets	<u><b>\$2,414,687</b></u>
<b>Deferred Outflows of Resources</b>	
WRS pension plan	\$1,422,827
Other postemployment benefit	<u>5,275</u>
Total deferred outflows of resources	<u><b>\$1,428,102</b></u>
<b>Liabilities</b>	
Current liabilities	\$ 939,115
Noncurrent portion of long-term obligations	<u>515,985</u>
Total liabilities	<u><b>\$1,455,100</b></u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

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

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**F. JOINT VENTURES** (cont.)

***South Area Fire & Emergency Response District*** (cont.)

**Deferred Inflows of Resources**

WRS pension plan	\$1,020,551
Other postemployment benefit	<u>6,929</u>
Total deferred inflows of resources	<u>\$1,027,480</u>

**Net Position**

Net investment in capital assets	\$1,812,185
Unrestricted	<u>(451,976)</u>
Total net position	<u>\$1,360,209</u>

**Revenue**

Received from Village of Weston	\$1,311,886
Received from Town of Rib Mountain	556,462
Received from other municipalities	196,675
Other revenue	<u>1,229,669</u>
Total revenue	<u>3,294,692</u>

**Expenses**

2,991,898

Change in net position	\$ 302,794
Prior period adjustment	<u>(673,594)</u>
<b>Total change in net position</b>	<u><b>\$(370,800)</b></u>

VILLAGE OF WESTON

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE V – OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS

The Village of Weston’s operations may be affected by the recent outbreak of COVID-19 which was declared as a pandemic. The ultimate disruption which may be caused by the outbreak is uncertain and the related financial impact and duration cannot be reasonably estimated.

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:

Years	TIF #1 District	TIF #2 District	Grand Total
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	1,542,663	159,013	1,701,676
2025-2029	7,787,555	157,125	7,944,680
2030-2031	<u>4,688,957</u>	<u>-</u>	<u>4,688,957</u>
Total	<u>\$20,182,270</u>	<u>\$1,038,535</u>	<u>\$21,220,805</u>

The rental expense for the year ended December 31, 2019, was \$1,547,738 for TIF District #1 and \$246,080 for TIF District #2.

I. CHANGE IN ACCOUNTING PRINCIPLE

The change in accounting principles adjustment of \$9,530,587 on the statement of changes in fiduciary net position - fiduciary funds, is due to the adoption of GASB Statement No. 84, *Fiduciary Activities*.

**REQUIRED SUPPLEMENTARY INFORMATION**

# VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION  
NET PENSION LIABILITY (ASSET)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
For the Year Ended December 31, 2019

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<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%
2018	131,191	131,191	-	2,077,488	6.31%

**VILLAGE OF WESTON**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF  
NET PENSION LIABILITY (ASSET)  
For the Year Ended December 31, 2019

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%
2018	1.34947000%	(422,630)	480,099	2,077,188	23.11%	96.45%

**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 to GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information from prior years is not available

**NOTE B - WISCONSIN RETIREMENT SYSTEM**

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

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

# VILLAGE OF WESTON

REQUIRED SUPPLEMENTARY INFORMATION  
NET OPEB LIABILITY (ASSET)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
For the Year Ended December 31, 2019

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<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%
2018	734	734	-	1,858,000	0.04%

**VILLAGE OF WESTON**

REQUIRED SUPPLEMENTARY INFORMATION  
 NET OPEB LIABILITY (ASSET)  
 SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF  
 NET OPEB LIABILITY (ASSET)  
 For the Year Ended December 31, 2019

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Fiscal Year Ending	Proportion of Net OPEB Liability (Asset)	Beginning Balance of Net OPEB Liability (Asset)	Ending Balance of Net OPEB Liability (Asset)	Total Payroll	Ending Net OPEB Liability (Asset) as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (Asset)
12/31/2017	0.03882100%	\$ 85,830	\$ 116,796	\$ 1,632,534	7.15%	44.81%
12/31/2018	0.03810100%	116,796	98,313	1,858,000	5.29%	48.69%

**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 8 proceeding years.

**NOTE B - LOCAL RETIREE LIFE INSURANCE FUND**

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

# 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, 2019

<b><u>REVENUES</u></b>	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>TAXES</b>				
General property taxes	\$4,598,123	\$4,598,123	\$4,597,581	\$ (542)
Mobile home taxes	38,000	38,000	52,415	14,415
Other tax revenue	2,140	2,140	7,222	5,082
Utility tax - Village of Rothschild	93,998	93,998	113,299	19,301
Total Taxes	4,732,261	4,732,261	4,770,517	38,256
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	1,044,878	1,044,878	1,061,045	16,167
Highway maintenance aids	537,319	537,319	537,319	-
Fire insurance tax	45,000	45,000	49,530	4,530
Other state and federal grants	78,995	78,995	78,784	(211)
Total Intergovernmental Revenues	1,706,192	1,706,192	1,726,678	20,486
<b>LICENSES AND PERMITS</b>				
Licenses				
Liquor and malt beverage	22,000	22,000	26,831	4,831
Cable franchise	173,000	173,000	165,417	(7,583)
Operators/amusement	17,000	17,000	18,765	1,765
Cigarette	1,100	1,100	1,400	300
Sundry	6,195	6,195	9,794	3,599
Pets - dogs and cats	19,950	19,950	19,095	(855)
Permits				
Building & electrical	126,175	126,175	123,043	(3,132)
Zoning	5,600	5,600	6,075	475
Road excavation	1,600	1,600	11,934	10,334
Sundry	1,000	1,000	550	(450)
Total Licenses and Permits	373,620	373,620	382,904	9,284
<b>FINES AND FORFEITURES</b>	96,200	96,200	106,750	10,550
<b>SPECIAL ASSESSMENTS</b>	\$ 5,500	\$ 5,500	\$ 6,060	\$ 560

## VILLAGE OF WESTON

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (cont.)  
 - BUDGET AND ACTUAL -  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>CHARGES FOR SERVICES</b>				
General government	\$ 8,250	\$ 8,250	\$ 5,622	\$ (2,628)
Police	35,000	35,000	35,000	-
Ambulance/EMS	-	-	654	654
Inspection services	-	-	10,998	10,998
Highways and streets	39,100	43,100	82,112	39,012
Rental of village property	4,650	4,650	5,839	1,189
Park and recreation	7,050	7,050	13,607	6,557
Economic development	100	100	-	(100)
Total Charges for Services	<u>94,150</u>	<u>98,150</u>	<u>153,832</u>	<u>55,682</u>
<b>INVESTMENT EARNINGS AND MISCELLANEOUS</b>				
Investment earnings	42,000	75,000	142,115	67,115
Insurance recoveries	-	-	20,267	20,267
Miscellaneous general revenues	27,800	27,800	61,077	33,277
Total Investment Earnings and Miscellaneous	<u>69,800</u>	<u>102,800</u>	<u>223,459</u>	<u>120,659</u>
Total Revenues	<u>7,077,723</u>	<u>7,114,723</u>	<u>7,370,200</u>	<u>255,477</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from				
Water utility fund - payment in lieu of taxes	470,000	470,000	464,896	(5,104)
Sewer utility fund - payment in lieu of taxes	-	-	15,657	15,657
Transfer from other funds	-	-	3,996	3,996
Total Transfers	<u>470,000</u>	<u>470,000</u>	<u>484,549</u>	<u>14,549</u>
Total Other Financing Sources	<u>470,000</u>	<u>470,000</u>	<u>484,549</u>	<u>14,549</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$7,547,723</u>	<u>\$7,584,723</u>	<u>\$7,854,749</u>	<u>\$ 270,026</u>

# VILLAGE OF WESTON

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2019

<b><i>EXPENDITURES</i></b>	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
Village board	\$ 40,703	\$ 40,703	\$ 38,088	\$ 2,615
Village municipality dues/memberships	7,930	7,930	5,894	2,036
Administrator	76,422	76,422	56,302	20,120
Clerk's office	323,778	321,370	288,152	33,218
Personnel/human resources	13,200	13,200	6,512	6,688
Elections	16,269	16,399	17,818	(1,419)
Municipal court	57,226	57,226	57,226	-
Village attorney	40,000	40,000	37,667	2,333
Village assessor	31,533	31,533	30,089	1,444
Finance/audit and budget	179,776	164,900	145,779	19,121
Tax collection	16,356	16,638	14,392	2,246
Risk management/insurance	93,600	93,600	73,762	19,838
Data processing/central services	134,218	134,218	123,156	11,062
Information technology	60,302	61,597	59,047	2,550
Board of review	400	400	117	283
Finance committee	1,597	1,597	1,090	507
Personnel committee	1,567	1,567	947	620
Municipal building	57,107	57,107	45,394	11,713
Tax refunds/Bad Debt	2,000	2,000	19,047	(17,047)
Newsletter	18,500	18,500	18,125	375
Capital outlay - General Government	47,000	97,000	119,026	(22,026)
Total General Government	<u>1,219,484</u>	<u>1,253,907</u>	<u>1,157,630</u>	<u>96,277</u>
<b>PUBLIC SAFETY</b>				
Police department				
Administration/operations	2,617,693	2,617,693	2,617,693	-
Fire department				
SAFER District	831,175	831,175	831,176	(1)
Public safety building maintenance	7,250	7,250	8,487	(1,237)
Public safety committee	1,998	1,998	172	1,826
Public safety warning sirens	2,300	2,300	1,787	513
Building inspections	200,418	209,259	190,048	19,211
Weights and measures	3,400	3,400	3,200	200
Total Public Safety	<u>3,664,234</u>	<u>3,673,075</u>	<u>3,652,563</u>	<u>20,512</u>

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
- BUDGET AND ACTUAL -  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>PUBLIC WORKS</b>				
Administration	\$ 19,626	20,035	\$ 13,404	\$ 6,631
Engineering	29,136	29,758	28,562	1,196
Road and street maintenance	1,241,765	1,217,304	1,073,969	143,335
Street irrigation maintenance	38,181	38,428	19,148	19,280
Snow and ice control	395,962	469,164	547,169	(78,005)
Street lighting	195,000	195,000	203,146	(8,146)
Traffic control	32,500	32,500	40,215	(7,715)
Mowing	20,859	32,022	31,506	516
Public infrastructure committee	607	623	391	232
Capital outlay - Public Works	7,500	7,500	-	7,500
Total Public Works	<u>1,981,136</u>	<u>2,042,334</u>	<u>1,957,510</u>	<u>84,824</u>
<b>HEALTH AND HUMAN SERVICES</b>				
County humane animal shelter	<u>15,275</u>	<u>15,275</u>	<u>12,304</u>	<u>2,971</u>
<b>PARKS, RECREATION, AND EDUCATION</b>				
Administration	249,857	255,276	260,498	(5,222)
Park maintenance	133,498	135,298	89,627	45,671
Ice rinks	7,492	7,492	4,342	3,150
Parks and recreation committee	1,490	1,490	1,002	488
Total Parks, Recreation, and Education	<u>392,337</u>	<u>399,556</u>	<u>355,469</u>	<u>44,087</u>
<b>COMMUNITY DEVELOPMENT</b>				
Administration	180,047	189,617	186,007	3,610
Planning commission	6,713	6,713	5,141	1,572
Board of appeals	2,387	2,387	38	2,349
Extraterritorial limits committee	1,701	1,701	620	1,081
Smart growth/Land use	13,400	13,400	5,370	8,030
Total Community Development	<u>204,248</u>	<u>213,818</u>	<u>197,176</u>	<u>16,642</u>

**VILLAGE OF WESTON**

GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (cont.)  
 - BUDGET AND ACTUAL -  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>OTHER</b>				
Contingency reserve	\$ 84,251	\$ -	\$ -	\$ -
Total Expenditures	7,560,965	7,597,965	7,332,652	265,313
<b>OTHER FINANCING USES</b>				
Transfers To				
Debt service	3,328	3,328	3,328	-
Refuse / recycling	29,430	29,430	27,165	2,265
Total Other Financing Uses	<u>32,758</u>	<u>32,758</u>	<u>30,493</u>	<u>2,265</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$7,593,723</u>	<u>\$7,630,723</u>	<u>\$7,363,145</u>	<u>\$ 267,578</u>

# 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 - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 5,400,000	\$ 5,400,000	\$ 5,363,999	\$ (36,001)
Intergovernmental	62,716	62,716	107,582	44,866
Investment earnings and miscellaneous	-	-	55,962	55,962
Total Revenues	<u>5,462,716</u>	<u>5,462,716</u>	<u>5,527,543</u>	<u>64,827</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	426	(426)
Community development	1,836,557	1,836,557	1,770,807	65,750
Debt service				
Principal retirement	150,000	150,000	124,170	25,830
Interest and fiscal charges	-	-	27,531	(27,531)
Total Expenditures	<u>1,986,557</u>	<u>1,986,557</u>	<u>1,922,934</u>	<u>63,623</u>
Excess of revenues over expenditures	<u>3,476,159</u>	<u>3,476,159</u>	<u>3,604,609</u>	<u>128,450</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	394	-	(394)
Transfers out	(1,101,897)	(1,101,897)	(1,103,904)	(2,007)
Total Other Financing Sources (Uses)	<u>(1,101,897)</u>	<u>(1,101,503)</u>	<u>(1,103,904)</u>	<u>(2,401)</u>
Net Change in Fund Balance	2,374,262	2,374,656	2,500,705	126,049
FUND BALANCE - Beginning	<u>1,362,495</u>	<u>1,362,495</u>	<u>1,362,495</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 3,736,757</u>	<u>\$ 3,737,151</u>	<u>\$ 3,863,200</u>	<u>\$ 126,049</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 1,547,738	\$ 1,547,738	\$ 1,547,738	\$ -
Investment earnings and miscellaneous	5,000	5,000	73,839	68,839
Total Revenues	<u>1,552,738</u>	<u>1,552,738</u>	<u>1,621,577</u>	<u>68,839</u>
<b>EXPENDITURES</b>				
Current				
Community development	3,256	3,256	4,045	(789)
Debt service				
Interest and fiscal charges	1,350	1,350	612	738
Total Expenditures	<u>4,606</u>	<u>4,606</u>	<u>4,657</u>	<u>(51)</u>
Excess of revenues over expenditures	<u>1,548,132</u>	<u>1,548,132</u>	<u>1,616,920</u>	<u>68,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	4,045	4,045
Transfers out	(1,548,132)	(1,548,132)	(1,547,738)	394
Total Other Financing Sources (Uses)	<u>(1,548,132)</u>	<u>(1,548,132)</u>	<u>(1,543,693)</u>	<u>4,439</u>
Net Change in Fund Balance	-	-	73,227	73,227
FUND BALANCE - Beginning	<u>1,592,440</u>	<u>1,592,440</u>	<u>1,592,440</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 1,592,440</u>	<u>\$ 1,592,440</u>	<u>\$ 1,665,667</u>	<u>\$ 73,227</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, 2019

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	<u>Debt Service Fund</u>
<b>ASSETS</b>	
<b>CASH AND INVESTMENTS</b>	<u>\$ 132,848</u>
<b>RECEIVABLES</b>	
Taxes	1,277,230
Special assessments	<u>48,180</u>
Total Receivables	<u>1,325,410</u>
TOTAL ASSETS	<u>\$ 1,458,258</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Succeeding year's property taxes	\$ 1,277,230
Special assessments	<u>48,180</u>
Total Deferred Inflows of Resources	<u>1,325,410</u>
<b>FUND BALANCE</b>	
Restricted	<u>132,848</u>
Total Fund Balance	<u>132,848</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u>\$ 1,458,258</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -
Intergovernmental	4,676	4,676	11,326	6,650
Special assessments	47,154	47,154	48,406	1,252
Investment earnings and miscellaneous	7,613	7,613	4,587	(3,026)
Total Revenues	<u>1,309,443</u>	<u>1,309,443</u>	<u>1,314,319</u>	<u>4,876</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	4,669,213	4,773,413	4,553,408	220,005
Interest and fiscal charges	713,316	713,316	713,388	(72)
Bond issuance costs	-	91,554	91,554	-
Total Expenditures	<u>5,382,529</u>	<u>5,578,283</u>	<u>5,358,350</u>	<u>219,933</u>
Deficiency of revenues over expenditures	<u>(4,073,086)</u>	<u>(4,268,840)</u>	<u>(4,044,031)</u>	<u>224,809</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	1,500,000	1,695,754	1,392,267	(303,487)
Discount/premium on bonds/notes issued	-	-	99,382	99,382
Transfers in	3,068,349	3,068,349	3,168,674	100,325
Total Other Financing Sources (Uses)	<u>4,568,349</u>	<u>4,764,103</u>	<u>4,660,323</u>	<u>(103,780)</u>
Net Change in Fund Balance	495,263	495,263	616,292	121,029
FUND BALANCE (DEFICIT) - Beginning	<u>(483,444)</u>	<u>(483,444)</u>	<u>(483,444)</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 11,819</u>	<u>\$ 11,819</u>	<u>\$ 132,848</u>	<u>\$ 121,029</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:

### **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**

CAPITAL IMPROVEMENTS - CAPITAL PROJECTS (MAJOR FUND)  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 93,326	\$ 93,326	\$ 93,326	\$ -
Charges for services	105,000	105,000	100,278	(4,722)
Investment earnings and miscellaneous	-	-	10,563	10,563
Total Revenues	<u>198,326</u>	<u>198,326</u>	<u>204,167</u>	<u>5,841</u>
<b>EXPENDITURES</b>				
Capital improvements	<u>350,293</u>	<u>2,316,208</u>	<u>1,357,591</u>	<u>958,617</u>
Excess (deficiency) of revenues over expenditures	<u>(151,967)</u>	<u>(2,117,882)</u>	<u>(1,153,424)</u>	<u>964,458</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds/notes issued	315,000	2,670,112	2,459,312	(210,800)
Discount/premium on notes issued	-	227,432	227,432	-
Transfers in	76,647	76,647	101,094	24,447
Transfers out	(190,529)	(190,529)	(290,856)	(100,327)
Sale of village properties	24,500	24,500	28,218	3,718
Total Other Financing Sources (Uses)	<u>225,618</u>	<u>2,808,162</u>	<u>2,525,200</u>	<u>(282,962)</u>
Net Change in Fund Balance	73,651	690,280	1,371,776	681,496
FUND BALANCE (DEFICIT) - Beginning	<u>(89,550)</u>	<u>(89,550)</u>	<u>(89,550)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - Ending	<u>\$ (15,899)</u>	<u>\$ 600,730</u>	<u>\$ 1,282,226</u>	<u>\$ 681,496</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:

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

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

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## VILLAGE OF WESTON

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2019

<b>ASSETS</b>	Special Revenue Funds		
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2
<b>CASH AND INVESTMENTS</b>	\$ 88,300	\$ 267,745	\$ -
<b>RECEIVABLES</b>			
Taxes	775,214	309,736	-
Other	-	-	-
Total Receivables	775,214	309,736	-
<b>PREPAID ITEMS</b>	917	-	-
<b>RESTRICTED CASH AND INVESTMENTS</b>	-	-	256,191
<b>TOTAL ASSETS</b>	\$ 864,431	\$ 577,481	\$ 256,191
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 54,995	\$ 169	\$ -
Other accrued liabilities	756	1,351	-
Unearned revenue	-	-	-
Total Liabilities	55,751	1,520	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year's property taxes	775,214	483,918	-
Total deferred inflows of resources	775,214	483,918	-
<b>FUND BALANCES</b>			
Nonspendable	917	-	-
Restricted	-	-	256,191
Committed	-	-	-
Assigned	32,549	92,043	-
Total Fund Balances	33,466	92,043	256,191
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	\$ 864,431	\$ 577,481	\$ 256,191

Continued on  
Next Page

Special Revenue Funds			
Aquatic Center	Room Taxes	Civic and Social	Park and Recreation
\$ 76,892	\$ 73,281	\$ 15,616	\$ 25,647
40,000	-	-	-
-	111,391	383	-
40,000	111,391	383	-
2,200	-	-	-
-	-	-	-
\$ 119,092	\$ 184,672	\$ 15,999	\$ 25,647
\$ 1,778	\$ 77,703	\$ 627	\$ -
-	-	-	-
1,026	-	-	-
2,804	77,703	627	-
40,000	-	-	-
40,000	-	-	-
2,200	-	-	-
-	-	-	-
-	-	5,736	2,000
74,088	106,969	9,636	23,647
76,288	106,969	15,372	25,647
\$ 119,092	\$ 184,672	\$ 15,999	\$ 25,647

**VILLAGE OF WESTON**

Continued from

Previous Page

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (cont.)

December 31, 2019

	<u>Capital Projects Funds TIF District #1</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>		
<b>CASH AND INVESTMENTS</b>	\$ 31,667	\$ 579,148
<b>RECEIVABLES</b>		
Taxes	-	1,124,950
Other	-	111,774
Total Receivables	<u>-</u>	<u>1,236,724</u>
<b>PREPAID ITEMS</b>	<u>-</u>	<u>3,117</u>
<b>RESTRICTED CASH AND INVESTMENTS</b>	<u>-</u>	<u>256,191</u>
 TOTAL ASSETS	 <u>\$ 31,667</u>	 <u>\$ 2,075,180</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 31,667	\$ 166,939
Other accrued liabilities	-	2,107
Unearned revenue	-	1,026
Total Liabilities	<u>31,667</u>	<u>170,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Succeeding year's property taxes	-	1,299,132
Total Deferred Inflows of Resources	<u>-</u>	<u>1,299,132</u>
<b>FUND BALANCES</b>		
Nonspendable	-	3,117
Restricted	-	256,191
Committed	-	7,736
Assigned	-	338,932
Total Fund Balances	<u>-</u>	<u>605,976</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 31,667</u>	 <u>\$ 2,075,180</u>

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## VILLAGE OF WESTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	Special Revenue Funds		
	Refuse / Recycling	TIF District #2	Comm. Dev. Authority - TIF District #2
<b>REVENUES</b>			
Taxes	\$ -	\$ 427,655	\$ -
Intergovernmental	78,691	15,867	-
Licenses and permits	-	-	-
Charges for services	815,228	-	246,080
Contributions and donations	-	-	-
Investment earnings and miscellaneous	2,534	5,500	14,075
Total Revenues	<u>896,453</u>	<u>449,022</u>	<u>260,155</u>
<b>EXPENDITURES</b>			
Current			
General government	-	2,414	-
Public works	817,006	-	-
Parks, recreation, and education	-	-	-
Community development	-	582,312	1,247
Capital improvements	-	-	-
Debt service			
Interest and fiscal charges	-	-	1,150
Total Expenditures	<u>817,006</u>	<u>584,726</u>	<u>2,397</u>
Excess (deficiency) of revenues over expenditures	<u>79,447</u>	<u>(135,704)</u>	<u>257,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	27,165	13,028	-
Transfers out	(90,012)	-	(259,108)
Sale of village properties	-	-	-
Total Other Financing Sources (Uses)	<u>(62,847)</u>	<u>13,028</u>	<u>(259,108)</u>
Net Change in Fund Balances	16,600	(122,676)	(1,350)
FUND BALANCES - Beginning	<u>16,866</u>	<u>214,719</u>	<u>257,541</u>
FUND BALANCES - Ending	<u>\$ 33,466</u>	<u>\$ 92,043</u>	<u>\$ 256,191</u>

Special Revenue Funds			
Aquatic Center	Room Taxes	Civic and Social	Park and Recreation
\$ 40,000	\$ 470,315	\$ -	\$ -
-	-	-	-
-	-	7,120	-
134,067	-	-	732
-	-	350	2,701
1,077	-	2,045	386
<u>175,144</u>	<u>470,315</u>	<u>9,515</u>	<u>3,819</u>
-	-	-	-
-	-	-	-
196,957	20,750	-	597
-	339,187	3,949	-
-	-	-	-
-	-	-	-
<u>196,957</u>	<u>359,937</u>	<u>3,949</u>	<u>597</u>
<u>(21,813)</u>	<u>110,378</u>	<u>5,566</u>	<u>3,222</u>
40,000	-	-	-
-	(141,094)	-	-
-	-	-	-
<u>40,000</u>	<u>(141,094)</u>	<u>-</u>	<u>-</u>
18,187	(30,716)	5,566	3,222
58,101	137,685	9,806	22,425
<u>\$ 76,288</u>	<u>\$ 106,969</u>	<u>\$ 15,372</u>	<u>\$ 25,647</u>

## VILLAGE OF WESTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (cont.)  
For the Year Ended December 31, 2019

	Capital Projects Funds TIF District #1	Total Nonmajor Governmental Funds
<b>REVENUES</b>		
Taxes	\$ -	\$ 937,970
Intergovernmental	-	94,558
Licenses and permits	-	7,120
Charges for services	-	1,196,107
Contributions and donations	-	3,051
Investment earnings and miscellaneous	-	25,617
Total Revenues	-	2,264,423
<b>EXPENDITURES</b>		
Current		
General government	-	2,414
Public works	-	817,006
Parks, recreation, and education	-	218,304
Community development	-	926,695
Capital improvements	286,139	286,139
Debt service		
Interest and fiscal charges	-	1,150
Total Expenditures	286,139	2,251,708
Excess (deficiency) of revenues over expenditures	(286,139)	12,715
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	125,389	205,582
Transfers out	-	(490,214)
Sale of village properties	160,750	160,750
Total Other Financing Sources (Uses)	286,139	(123,882)
Net Change in Fund Balances	-	(111,167)
FUND BALANCES - Beginning	-	717,143
FUND BALANCES - Ending	\$ -	\$ 605,976

**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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 78,735	\$ 78,735	\$ 78,691	\$ (44)
Charges for services	807,877	807,877	815,228	7,351
Investment earnings and miscellaneous	-	-	2,534	2,534
Total Revenues	<u>886,612</u>	<u>886,612</u>	<u>896,453</u>	<u>9,841</u>
<b>EXPENDITURES</b>				
Current				
Public works	<u>825,185</u>	<u>825,185</u>	<u>817,006</u>	<u>8,179</u>
Excess of revenues over expenditures	<u>61,427</u>	<u>61,427</u>	<u>79,447</u>	<u>18,020</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,430	29,430	27,165	(2,265)
Transfers out	<u>(90,012)</u>	<u>(90,012)</u>	<u>(90,012)</u>	-
Total Other Financing Sources (Uses)	<u>(60,582)</u>	<u>(60,582)</u>	<u>(62,847)</u>	<u>(2,265)</u>
Net Change in Fund Balance	845	845	16,600	15,755
FUND BALANCE - Beginning	<u>16,866</u>	<u>16,866</u>	<u>16,866</u>	-
FUND BALANCE - Ending	<u>\$ 17,711</u>	<u>\$ 17,711</u>	<u>\$ 33,466</u>	<u>\$ 15,755</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 430,000	\$ 430,000	\$ 427,655	\$ (2,345)
Intergovernmental	11,943	11,943	15,867	3,924
Investment earnings and miscellaneous	300	300	5,500	5,200
Total Revenues	<u>442,243</u>	<u>442,243</u>	<u>449,022</u>	<u>6,779</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	2,414	(2,414)
Community development	308,401	308,401	582,312	(273,911)
Total Expenditures	<u>308,401</u>	<u>308,401</u>	<u>584,726</u>	<u>(276,325)</u>
Excess (deficiency) of revenues over expenditures	<u>133,842</u>	<u>133,842</u>	<u>(135,704)</u>	<u>(269,546)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	13,028	13,028
Transfers out	(775)	(775)	-	775
Total Other Financing Sources (Uses)	<u>(775)</u>	<u>(775)</u>	<u>13,028</u>	<u>13,803</u>
Net Change in Fund Balance	133,067	133,067	(122,676)	(255,743)
FUND BALANCE - Beginning	<u>214,719</u>	<u>214,719</u>	<u>214,719</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 347,786</u>	<u>\$ 347,786</u>	<u>\$ 92,043</u>	<u>\$ (255,743)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 246,080	\$ 246,080	\$ 246,080	\$ -
Investment earnings and miscellaneous	3,000	3,000	14,075	11,075
Total Revenues	<u>249,080</u>	<u>249,080</u>	<u>260,155</u>	<u>11,075</u>
<b>EXPENDITURES</b>				
Current				
Community development	2,381	2,381	1,247	1,134
Debt service				
Interest and fiscal charges	1,050	1,050	1,150	(100)
Total Expenditures	<u>3,431</u>	<u>3,431</u>	<u>2,397</u>	<u>1,034</u>
Excess of revenues over expenditures	<u>245,649</u>	<u>245,649</u>	<u>257,758</u>	<u>12,109</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	431	431	-	(431)
Transfers out	(246,080)	(246,080)	(259,108)	(13,028)
Total Other Financing Sources (Uses)	<u>(245,649)</u>	<u>(245,649)</u>	<u>(259,108)</u>	<u>(13,459)</u>
Net Change in Fund Balance	-	-	(1,350)	(1,350)
FUND BALANCE - Beginning	<u>257,541</u>	<u>257,541</u>	<u>257,541</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 257,541</u>	<u>\$ 257,541</u>	<u>\$ 256,191</u>	<u>\$ (1,350)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Charges for services	128,320	128,320	134,067	5,747
Investment earnings and miscellaneous	65	65	1,077	1,012
Total Revenues	<u>168,385</u>	<u>168,385</u>	<u>175,144</u>	<u>6,759</u>
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	<u>219,034</u>	<u>219,034</u>	<u>196,957</u>	<u>22,077</u>
Excess (deficiency) of revenues over expenditures	<u>(50,649)</u>	<u>(50,649)</u>	<u>(21,813)</u>	<u>28,836</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	(10,649)	(10,649)	18,187	28,836
FUND BALANCE - Beginning	<u>58,101</u>	<u>58,101</u>	<u>58,101</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 47,452</u>	<u>\$ 47,452</u>	<u>\$ 76,288</u>	<u>\$ 28,836</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 388,823	\$ 388,823	\$ 470,315	\$ 81,492
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	20,750	20,750	20,750	-
Community development	272,176	272,176	339,187	(67,011)
Total Expenditures	292,926	292,926	359,937	(67,011)
Excess of revenues over expenditures	95,897	95,897	110,378	14,481
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(116,647)	(116,647)	(141,094)	(24,447)
Net Change in Fund Balance	(20,750)	(20,750)	(30,716)	(9,966)
FUND BALANCE - Beginning	137,685	137,685	137,685	-
FUND BALANCE - Ending	\$ 116,935	\$ 116,935	\$ 106,969	\$ (9,966)

## 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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 5,900	\$ 5,900	\$ 7,120	\$ 1,220
Contributions and donations	-	-	350	350
Investment earnings and miscellaneous	2,030	2,030	2,045	15
Total Revenues	<u>7,930</u>	<u>7,930</u>	<u>9,515</u>	<u>1,585</u>
<b>EXPENDITURES</b>				
Current				
Community Development	<u>7,191</u>	<u>7,191</u>	<u>3,949</u>	<u>3,242</u>
Net Change in Fund Balance	739	739	5,566	4,827
FUND BALANCE - Beginning	<u>9,806</u>	<u>9,806</u>	<u>9,806</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 10,545</u>	<u>\$ 10,545</u>	<u>\$ 15,372</u>	<u>\$ 4,827</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 500	\$ 500	\$ 732	\$ 232
Contributions and donations	150	150	2,701	2,551
Investment earnings and miscellaneous	200	200	386	186
Total Revenues	<u>850</u>	<u>850</u>	<u>3,819</u>	<u>2,969</u>
<b>EXPENDITURES</b>				
Current				
Parks, recreation, and education	<u>500</u>	<u>500</u>	<u>597</u>	<u>(97)</u>
Net Change in Fund Balance	350	350	3,222	2,872
FUND BALANCE - Beginning	<u>22,425</u>	<u>22,425</u>	<u>22,425</u>	<u>-</u>
FUND BALANCE - Ending	<u>\$ 22,775</u>	<u>\$ 22,775</u>	<u>\$ 25,647</u>	<u>\$ 2,872</u>

**VILLAGE OF WESTON**

TIF DISTRICT #1 - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>EXPENDITURES</b>				
Capital improvements	\$ 137,500	\$ 137,500	\$ 286,139	\$ (148,639)
Deficiency of revenues over expenditures	(137,500)	(137,500)	(286,139)	(148,639)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	127,425	127,425	125,389	(2,036)
Sale of village properties	-	-	160,750	160,750
Total Other Financing Sources (Uses)	127,425	127,425	286,139	158,714
Net Change in Fund Balance	(10,075)	(10,075)	-	10,075
FUND BALANCE - Beginning	-	-	-	-
FUND BALANCE (DEFICIT) - Ending	\$ (10,075)	\$ (10,075)	\$ -	\$ 10,075

## **OTHER INFORMATION**

**VILLAGE OF WESTON**

**PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS**  
Beginning of Project to December 31, 2019

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**TIF DISTRICT #1 FUND**

<b>TOTAL AUTHORIZATIONS</b>	<u>\$58,264,828</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Intergovernmental revenues	\$ 2,595,000
Charges for services	252,800
Fines and forfeitures	25,000
Investment earnings and miscellaneous	1,068,265
Bonds/notes issued	19,237,124
Transfers in	30,861,212
Sale of village properties	4,238,717
Net decrease in the fair value of investments	(13,290)
Total Revenues and Other Financing Sources	<u>\$58,264,828</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$57,454,169
Bond issuance costs	2,000
Discounts on bonds/notes issued	942
Transfers out	807,717
Total Expenditures and Other Financing Uses	<u>\$58,264,828</u>
FUND BALANCE - December 31, 2019	<u>\$ -</u>

**TIF DISTRICT #2 FUND**

<b>TOTAL AUTHORIZATIONS</b>	<u>\$ 3,132,406</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>	
Investment earnings and miscellaneous	\$ 55,078
Bonds/notes issued	850,800
Transfers in	2,226,528
Total Revenues and Other Financing Sources	<u>\$ 3,132,406</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>	
Capital improvements	\$ 3,131,935
Discounts on bonds/notes issued	471
Total Expenditures and Other Financing Uses	<u>\$ 3,132,406</u>
FUND BALANCE - December 31, 2019	<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, 2019

	Water Utility	Sewer Utility	Stormwater Utility	Totals
<b>UTILITY PLANT IN SERVICE</b>				
Beginning of year	\$ 30,526,297	\$ 31,966,472	\$ 17,485,961	\$ 79,978,730
End of year	<u>30,837,506</u>	<u>31,992,772</u>	<u>17,642,970</u>	<u>80,473,248</u>
Average	<u>30,681,902</u>	<u>31,979,622</u>	<u>17,564,466</u>	<u>80,225,990</u>
<b>ACCUMULATED DEPRECIATION</b>				
Beginning of year	9,583,656	12,937,080	6,120,963	28,641,699
End of year	<u>10,191,650</u>	<u>13,613,405</u>	<u>6,481,409</u>	<u>30,286,464</u>
Average	<u>9,887,653</u>	<u>13,275,243</u>	<u>6,301,186</u>	<u>29,464,082</u>
<b>MATERIALS AND SUPPLIES</b>				
Beginning of year	88,182	-	-	88,182
End of year	<u>85,241</u>	-	-	<u>85,241</u>
Average	<u>86,712</u>	-	-	<u>86,712</u>
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
Beginning of year	7,619,828	11,260,944	-	18,880,772
End of year	<u>7,619,828</u>	<u>11,260,944</u>	-	<u>18,880,772</u>
Average	<u>7,619,828</u>	<u>11,260,944</u>	-	<u>18,880,772</u>
<b>AVERAGE NET RATE BASE</b>	<u>\$ 13,261,133</u>	<u>\$ 7,443,435</u>	<u>\$ 11,263,280</u>	<u>\$ 31,967,848</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 626,747</u>	<u>\$ (58,649)</u>	<u>\$ 167,647</u>	<u>\$ 735,745</u>
<b>RATE OF RETURN - 2019</b>	<u>4.73%</u>	<u>-0.79%</u>	<u>1.49%</u>	<u>2.30%</u>
<b>RATE OF RETURN - 2018</b>	<u>4.18%</u>	<u>1.22%</u>	<u>1.12%</u>	<u>2.40%</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.