

VILLAGE OF BROWN DEER



1884 Little White Schoolhouse

Milwaukee County, Wisconsin
Comprehensive Annual Financial Report
For the Year Ended
December 31, 2009

VILLAGE OF BROWN DEER

Brown Deer, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

December 31, 2009

Prepared By
The Office of the Village Manager and
The Office of the Treasurer/Comptroller

Village Manager
Treasurer/Comptroller

Russell Van Gompel
Bridget Souffrant

VILLAGE OF BROWN DEER

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INTRODUCTORY SECTION



June 4, 2010

To the Village Board and the Citizens of the Village of Brown Deer, Wisconsin:

The Comprehensive Annual Financial Report of the Village of Brown Deer for the year ended December 31, 2009, is herein submitted. This report consists of management's representations concerning the finances of the Village of Brown Deer ("Village"). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Brown Deer has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Brown Deer's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Brown Deer's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Brown Deer's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of certified public accountants and consultants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Brown Deer for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Brown Deer's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village of Brown Deer's MD&A can be found immediately following the report of the independent auditors.

COMMUNITY PROFILE

The Village of Brown Deer encompasses an area of 4.5 square miles in northern Milwaukee County. The Village of Brown Deer is bounded by the Village of River Hills on the east, the City of Mequon on the north and the City of Milwaukee on the south and west. The Milwaukee River and a large county park (Brown Deer Park) form the east boundary of the Village. Given the Village's location, it is considered to be one of the North Shore communities. The Village is bisected by Brown Deer Road (State Highway 100) which is a six-lane thoroughfare connecting other prosperous North Shore suburbs to retail complexes west of Brown Deer and to the northwest suburbs of Milwaukee.

The Village started as a small settlement in the 1850's along the Milwaukee River at the intersection of what is now Highways 100 and 57. The unincorporated Village grew modestly as part of the Town of Granville until the 1950's. In 1955 the Village incorporated, and in 1962, after a series of annexation battles with the City of Milwaukee, assumed its present boundaries. As a result of the 1962 court settlement with the City of Milwaukee, the Brown Deer School District also shares the Village's boundaries. The Village's population has remained relatively constant since before 1990 at approximately 12,000 residents. The current population of the Village is 11,720.

Brown Deer operates under a manager form of government. Under this form of government, a six-member Board of Trustees is elected at large and on a non-partisan basis. The Village President, who is also elected at large and on a non-partisan basis, presides at Village Board meetings and votes on all matters. The Village President has no veto power. Annual elections are held in April. The terms of office are 3 years but are overlapping so that the Village is provided with a continuity of knowledge in development, business and legislative matters.

The Board is responsible for enacting ordinances, resolutions, regulations and policies governing the Village as well as the appointment of members of various statutory and advisory boards and the Village Manager. The manager is the chief executive officer who is the head of the administrative branch of the Village and is responsible to the Board for the proper administration of all affairs of the Village.

The Village provides a range of services including police, library, recreation, public works, water, sewer, storm water services. In order to utilize economies of scale the Village has entered into three intergovernmental agreements with other North Shore communities. The North Shore Fire Department was formed on January 1, 1995 by a cooperative agreement with six other North Shore communities (Bayside, Fox Point, Glendale, River Hills, Shorewood, and Whitefish Bay) operates economically by sharing staff, equipment, and resources. The North Shore Health Department was formed on January 1, 1996 with four other North Shore communities (Bayside, River Hills, Fox Point, and Glendale) provides a wide range of services more economically than those which could be provided by the individual communities. The North Shore Cable Commission was formed on July 6, 1998 by a cooperative agreement with six other North Shore communities (Bayside, Fox Point, Glendale, River Hills, Shorewood, and Whitefish Bay) to jointly provide public access television and public information.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of Brown Deer operates.

Local Economy

Located in the north suburban area of Milwaukee County, the Village of Brown Deer is a demographically and economically vital and diverse community. The Village continues to be a desirable place to reside due to excellent police and fire protection, public water system, library, health services, schools, parks and perceived "quality of life." Brown Deer's employment base represents an excellent mix of manufacturing, service and retail establishments. In addition, its proximity to downtown Milwaukee (just 10 miles south) enables residents to commute for employment.

The Village's single-family housing was constructed almost entirely in the period from 1950 to 1980, and can be characterized as being in the middle to upper-middle price range in the Milwaukee area market. The Village also has a substantial number of multifamily housing units, consisting of rental and condominium units, which occupy the same middle to upper-middle market niche. The residential base has continued to grow.

Current Year Initiatives

In 2009, seven building permits were issued in Deerbrook Estates, a single-family residential development on a 21 acre site adjacent to Park Plaza Court. Twelve sites remain in this 43 lot subdivision which was created from land purchased from the Village in 2004.

Tax Incremental Financing District #2, formed in 1995, generated an increment of \$21,745,500 in 2009, an increase of \$2,740,900 from the 2008 increment. Improvements in the district include the construction of a 66-unit full assisted living/senior apartment complex near Bradley Road and Teutonia Avenue. The existing Tax Incremental Financing Agreement with Gen Cap Bradley LLC, for an 8 acre residential development of 65 condominiums in the mid-price range of \$185,000, has been updated to reflect a new delivery schedule and financing.

The Tax Incremental Financing District #3, formed in 2005, includes property along the West Brown Deer Road corridor, bounded by: 55th Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and Park Plaza Court to the west. The district has generated an increment of \$18,439,400 in 2009 which is an increase of \$6,684,900 from 2008. The 4 acres of land along the west side of North 60th Street are slated to be a condominium/town home development. Fourteen residential units were completed in 2008; however Phase II of the project was postponed until 2011 due to current market conditions.

The Tax Incremental Financing District #4, formed in 2005, includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. The district has generated an increment of \$2,798,900 through 2009, which is a decrease of \$141,100 from 2008. During 2009, the Village continued with its plans to reconstruct the streetscape within the Original Village District in 2010 and 2011.

The Village mails a combined newsletter and Park & Recreation Program flyer which is sent out three (3) times a year to all Village residents and businesses. The newsletter provides information on Village programs, departments, enrollment information for Park & Recreation programs and matters of interest. The Village continues to update its website to provide another source of information to the public. Financial information such as: the Annual Budget, Comprehensive Annual Financial Report, property tax information and assessment information are available on the website. In 2009, the Village started a marketing brochure to promote the community and all it has to offer. Part of the marketing efforts included directing visitors and residents to the new Our Brown Deer website www.ourbrowndeer.com which is a social media website used to inform and connect the residents.

Outside of the Tax Increment District, the Village issued a building permit for a \$1,217,000 test facility addition to ITT-Sanitaire Corporation on Schroeder Drive. Additionally, the Village saw a \$945,000 renovation of a vacant building, at 51st Street and Brown Deer Road, which now houses Traffic and Parking Control Company, Incorporated.

FINANCIAL POLICIES

The Village of Brown Deer has many financial and budget related policies that are in place to ensure compliance and control within the Village's finances. The policies in place include: a general operations policy, investment policy, fund balance policy, debt management policy, capitalized fixed assets policy, purchasing policy, budget development policy, revenue policy, operating budgets, and capital improvement budget policy.

In accordance with the Village's general operations policy the Village will maintain an accounting system according to GAAP and State of Wisconsin regulations. The annual audit will be performed by an independent public accounting firm. Legally restricted revenues will be avoided when they adversely affect the short or long-term financial health of our government. One-time revenues will be used for capital improvements or as legally restricted to a specific purpose.

The Village's fund balance policy is in place to provide working capital for the Village to meet cash flow needs during the year (while avoiding the need to cash flow borrow) and preserve the credit worthiness of the Village for borrowing monies at favorable interest rates. The requirements for the general fund are to ensure that the fund balance is equal to a minimum of 15% of the next year's budgeted general fund expenditures; with a 25% targeted maximum. The capital improvement and equipment replacement

funds must maintain reserves sufficient to pay the cost of projects under construction. The Sanitary Sewer Utility fund balance will not be less than 15% and not more than 100% of the annual billings. The Street Lighting Assessment Fund shall be reserved at an amount to replace existing equipment based on current engineering estimates and reviewed on a bi-annual basis; the unreserved funds will be maintained at a minimum of 25% of the prior year's operating costs.

Per the Debt Management policy, when issuing debt the Village has agreed to confine long-term borrowing to capital improvements, equipment or other long-term projects which cannot, and appropriately should not, be finance from current revenues. The Village will also not use long-term debt to finance current operations or short-lived (less than 5 years) depreciable assets. The Village has committed to always issuing debt through a competitive bidding process and to utilize the services of a financial advisor. The Village has also agreed to be in compliance with Section 67.03 of Wisconsin Statutes requiring that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. The Village has moved one step further in stating that the total annual debt service for general obligation debt will not exceed 20% of the Village's total tax levy with an effort to maintain the levy at a proportionate even level for tax rate stabilization.

According to the Village's Capitalized Fixed Asset policy, the record of capital assets shall include general fixed assets, i.e., non-infrastructure assets. Infrastructure assets are assets that are immovable and of value only to the Village government, e.g., buildings, sewers, and streets. As a general rule, "capitalized" items maintained within the Village's record of capital assets shall have an expected useful life greater than one year and a purchase, donated or assessed value equal to or greater than \$5,000. For computer equipment, initial operating software shall be included but subsequent operating software and application software shall be excluded.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in demand deposits, certificates of deposits, federal agency bonds, and investment pools. The investment pools utilized by the Village were the State of Wisconsin Local Government Investment Pool, (a part of the State Investment Fund) and the CLASS investment (Cooperative Liquid Assets Securities System) established by an intergovernmental agreement, both of which invest primarily in U.S. Treasury securities, repurchase agreements, and agency securities backed by the full faith and credit of the U.S. Government. The average yield on all investments was 1.12%.

RISK MANAGEMENT

In 1987, the Village issued \$429,675 taxable general obligation refunding bonds to provide financing of the Village's participation in the Wisconsin Municipal Insurance Commission (WMIC) in which final payment was made in 2008. All of the Village's principal and interest obligations were funded by dividends declared by WMIC. WMIC is an intergovernmental cooperative commission formed to facilitate the formation of the Cities and Village's Mutual Insurance Company (CVMIC). CVMIC is a separate and distinct entity independent of WMIC and is owned by the participating cities and villages of WMIC. CVMIC was formed to provide liability insurance to Wisconsin municipalities as of January 1, 1988.

CVMIC provides the Village with \$5,000,000 of liability coverage for losses over its self-insured retention level of \$25,000 per occurrence with a \$100,000 aggregate stop loss. The Village's annual cost of coverage is its annual premium, claims and other operating expenses. CVMIC pays dividends to the Village based on its annual operational results. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The Village and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

Management of WMIC and CVMIC consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The municipality

does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Village staff relies on CVMIC loss control personnel and the many loss control-training sessions offered by CVMIC. The Village has an active safety committee, which operates with guidance from CVMIC. The committee, consisting of employees from each department of the Village, examines safety issues affecting employees; monitors safety issues, and regularly examines Village buildings for safety related issues.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The Village of Brown Deer participates in the Wisconsin Retirement System, a cost-sharing multiple-employer defined benefit public employee retirement system. The Village contributes a percentage of each eligible employee's salary as determined annually by the system.

The Village contributes towards retiree health insurance costs in differing amounts based on employment agreements. Additional information on these benefits can be found within the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Brown Deer for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the tenth year that the Village of Brown Deer has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements; we are submitting it to GFOA to determine its eligibility for another certificate.

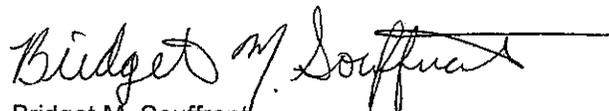
The Village recognizes the Baker Tilly Virchow Krause, LLP, audit management team, for their dedication and expertise, which contributed significantly to the report quality and adherence to professional accounting standards.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the administrative services, police, public works and community services departments. We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report most notably Susan Hudson and Nicole Theys for their hard work throughout the recent transition. Credit also must be given to the Village President, Village Board and Finance/Public Works Committee for their support for striving to have the highest standards of professionalism in the management of the Village of Brown Deer's finances.

Respectfully submitted,



Russell Van Gompel
Village Manager



Bridget M. Souffrant
Treasurer / Comptroller

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VILLAGE OF BROWN DEER

DIRECTORY OF OFFICIALS December 31, 2009

Elected Officials

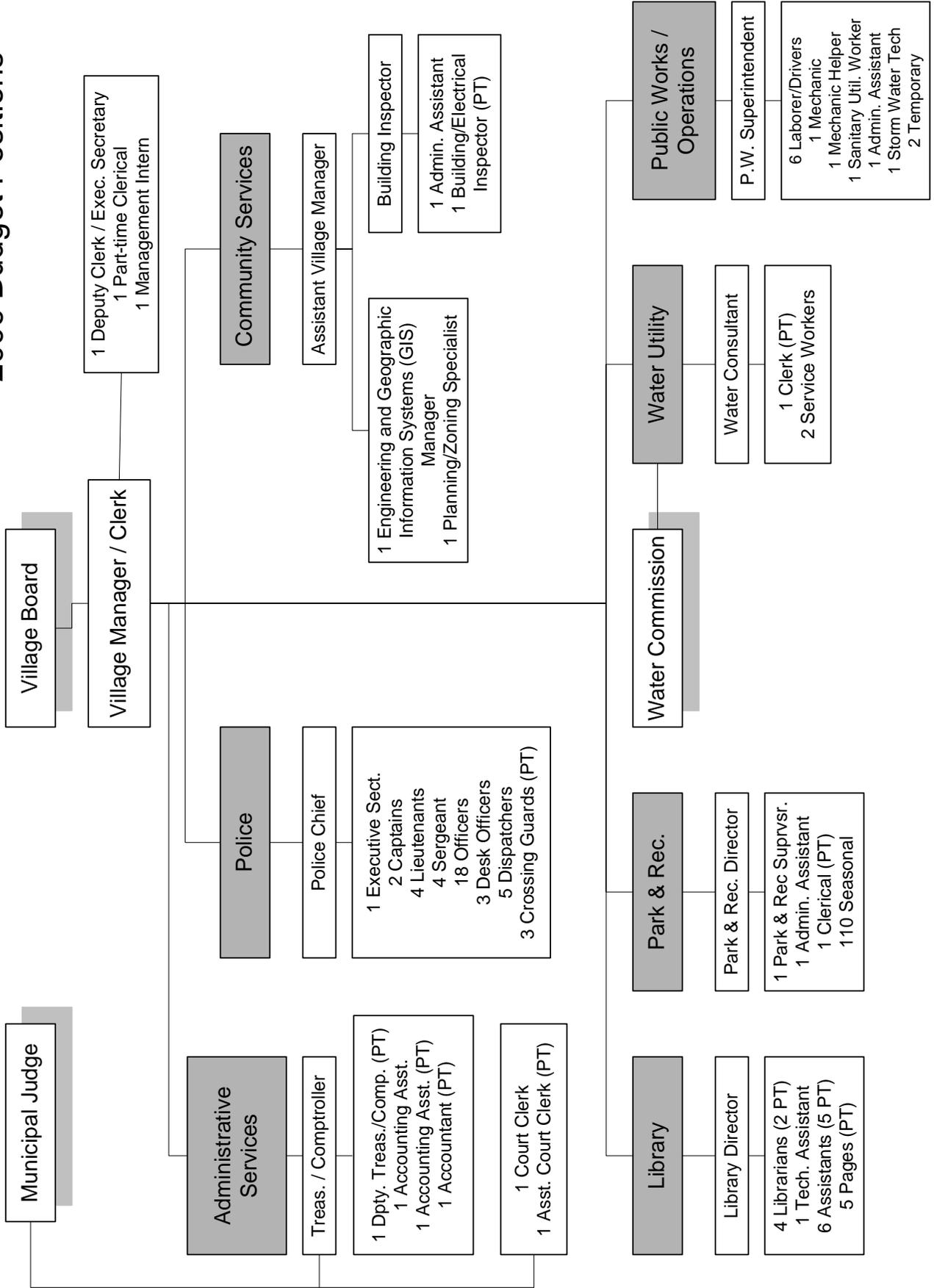
<u>Name</u>	<u>Title</u>	<u>Term</u>
Carl Krueger	Village President	April, 2013
Jeff Baker	Village Trustee	April, 2013
Terry Boschert	Village Trustee	April, 2011
Bob Oates	Village Trustee	April, 2012
Tim Schilz	Village Trustee	April, 2012
Gary Springman	Village Trustee	April, 2013
Andrea J. Weddle-Henning	Village Trustee	April, 2011
David M. Victor	Municipal Judge	April, 2013

Administrators

<u>Name</u>	<u>Title</u>	<u>Term</u>
Russell Van Gompel	Village Manager	Appointed
Accurate Appraisal LLC	Village Assessor	Contract
John Fuchs	Village Attorney	Contract
Chad Hoier	Park and Recreation Director	Appointed
Larry Neitzel	Superintendent of Public Works	Appointed
Jane Peterson	Director of Public Health	Appointed
Mike Rau	Water Consultant	Contract
Joseph Rice	Library Director	Appointed
Steven Rinzel	Chief of Police	Appointed
Jesse Thyes	Assistance Village Manager/ Director of Community Services	Appointed
Bridget Souffrant	Treasurer / Comptroller	Appointed

Village of Brown Deer Organization Chart

2009 Budget Positions



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Brown Deer
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Village Board
Village of Brown Deer
Brown Deer, Wisconsin

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 Brown Deer, Wisconsin, as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Brown Deer's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Brown Deer, Wisconsin, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Brown Deer's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Village Board
Village of Brown Deer

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Brown Deer, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Baker Tilly Kintow Krause LLP

Milwaukee, Wisconsin
June 2, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2009

As management of the Village of Brown Deer, we offer readers of the Village of Brown Deer's financial statements this narrative overview and analysis of the financial activities of the Village of Brown Deer for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

FINANCIAL HIGHLIGHTS

When revenues exceed expenses, the result is an increase in net assets. When expenses exceed revenues, the result is a decrease in net assets. You can think of this relationship between revenues and expenses as the Village's operating results and the net assets, as measured in the Statement of Net Assets, as one way to measure the Village's financial health, or financial position. Over time, increases and decreases in the Village's net assets, as measured in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. However, the Village's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads and infrastructure, in assessing the overall health of our Village.

- The assets of the Village of Brown Deer exceeded its liabilities as of December 31, 2009, by \$14,334,790 (*net assets*). The Village reported deficit unrestricted governmental activities net assets of \$8,017,081 and unrestricted business-type activities net assets of \$2,719,583. During the current year, the Village's net assets increased \$619,864.
- As of December 31, 2009, the Village of Brown Deer's governmental funds reported combined ending fund balances of \$5,783,672, an increase of \$30,059 in comparison with the prior year. At the end of 2009, there is \$3,609,728 *available for spending* at the government's discretion (*unreserved fund balance*.)
- As of December 31, 2009, the unreserved fund balance for the general fund was \$2,138,358 or 23% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt increased by \$60,595 during 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Brown Deer's basic financial statements. The Village of Brown Deer's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Brown Deer's finances, in a manner similar to a private-sector business and are presented in two statements, the Statement of Net Assets and the Statement of Activities which can be found on pages 26-27 of this report.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis For the Year Ended December 31, 2009

Both 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*). The governmental activities of the Village of Brown Deer include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the Village of Brown Deer include the water utility, storm water utility and the sewer utility.

STATEMENT OF NET ASSETS

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

The following table summarizes the Village's statements of net assets from both the prior and current year. An analysis of major components of this statement and comparison between the years is found following the table. Changes in capital assets and long term liabilities are discussed further along within those sections of the Management's Discussion and Analysis.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 15,967,348	\$ 19,150,361	\$ 4,093,973	\$ 4,589,542	\$ 20,061,321	\$ 23,739,903
Capital assets	<u>11,224,515</u>	<u>10,427,055</u>	<u>15,525,379</u>	<u>14,949,279</u>	<u>26,749,894</u>	<u>25,376,334</u>
Total assets	27,191,863	29,577,416	19,619,352	19,538,821	46,811,215	49,116,237
Long-term debt outstanding	17,177,692	16,213,446	4,903,158	5,321,107	22,080,850	21,534,553
Other liabilities	<u>9,994,508</u>	<u>13,137,622</u>	<u>401,067</u>	<u>729,136</u>	<u>10,395,575</u>	<u>13,866,758</u>
Total liabilities	27,172,200	29,351,068	5,304,225	6,050,243	32,476,425	35,401,311
Net assets:						
Invested in capital assets, net of debt	7,896,810	6,521,521	11,324,970	10,817,430	19,221,780	17,338,951
Restricted	139,934	158,908	270,574	256,627	410,508	415,535
Unrestricted (deficit)	<u>(8,017,081)</u>	<u>(6,454,081)</u>	<u>2,719,583</u>	<u>2,414,521</u>	<u>(5,297,498)</u>	<u>(4,039,560)</u>
Total net assets	<u>\$ 19,663</u>	<u>\$ 226,348</u>	<u>\$ 14,315,127</u>	<u>\$ 13,488,578</u>	<u>\$ 14,334,790</u>	<u>\$ 13,714,926</u>

Governmental Activities

Current and other assets for governmental activities primarily represent cash, investments, taxes receivable and land held for resale. Current and other assets decreased in 2009 by \$3.1 million largely due to the Village selling a portion of the Kohl's property to JFS decreasing the land held for resale by \$1.6 million as well as decreased cash and cash equivalents on hand due to the payment of prior year accounts payable related to TIF developer incentives.

Other liabilities represent accounts payable, accrued payroll liabilities, deposits and deferred revenues. Total other liabilities decreased \$3.1 million in 2009 due to two developer incentive payments which were owed at the end of 2008 and were paid out in the beginning of 2009.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis For the Year Ended December 31, 2009

Capital assets are used to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Brown Deer's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Village annually levies a tax in order to pay that year's installment of principal and interest on most long term debt.

A portion of the Village of Brown Deer's net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets consist of amounts restricted for library purposes. The Village has three TIF districts one established in 1995 and the other two in 2005. TIF district financing is a tool used by municipalities to assist in funding economic development. Economic development by nature is a long-term process and oftentimes early in the life of a TIF district the only resources available are in the form of debt proceeds. Due to the number of current TIF projects, no net assets related to these TIF districts were on hand at year end.

The remaining balance of unrestricted net assets may be used to meet ongoing obligations to citizens and creditors. The decrease in unrestricted net assets of \$1.5 million was due to unrestricted revenues being used to decrease outstanding capital related debt. When unrestricted resources are used in this way, the Village's invested in capital assets net of related debt increases and resources remaining for unrestricted net assets decrease.

Business-type Activities

Business-type activities current and other assets consist of cash, investments and receivables. Current and other assets decreased \$495,000 in the current year. This decrease was from the release of cash that was originally restricted in 2008 related to cash reserves needed for debt obligations. The total capital assets in 2009 increased by \$576,000 due to the addition of equipment and capital improvements such as infrastructure.

Long term debt decreased by the scheduled debt payments of \$417,000 which decreased long-term liabilities. Other liabilities for governmental and business-type activities include accounts payable, accrued interest payable, special deposits and unearned revenue. Other liabilities decreased by \$328,000 due mainly to a decrease in accounts payable related to sanitary sewer maintenance work.

STATEMENT OF ACTIVITIES

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

VILLAGE OF BROWN DEER

Management's Discussion and Analysis For the Year Ended December 31, 2009

The table below summarizes the statement of activities for 2008 and 2009. Explanations for increases or decreases that are more than \$100,000 and 5% from the previous year are given following the table.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 1,671,102	\$ 1,627,081	\$ 3,506,952	\$ 3,498,774	\$ 5,178,054	\$ 5,125,855
Operating grants and contributions	753,316	782,055	-	-	753,316	782,055
Capital grants and contributions	1,166,530	69,751	579,555	510,239	1,746,085	579,990
General revenues:						
Property taxes	8,334,365	8,107,615	-	-	8,334,365	8,107,615
Other taxes	433,152	594,277	-	-	433,152	594,277
Other general revenues	1,067,086	1,605,811	56,035	126,918	1,123,121	1,732,729
Total revenues	<u>13,425,551</u>	<u>12,786,590</u>	<u>4,142,542</u>	<u>4,135,931</u>	<u>17,568,093</u>	<u>16,922,521</u>
Expenses						
General government	1,399,299	1,604,219	-	-	1,399,299	1,604,219
Public safety	6,085,914	6,027,981	-	-	6,085,914	6,027,981
Public works	2,637,864	2,725,520	-	-	2,637,864	2,725,520
Health and human services	639,859	585,576	-	-	639,859	585,576
Culture, recreation and education	1,155,647	1,158,463	-	-	1,155,647	1,158,463
Conservation and development	1,153,886	5,188,719	-	-	1,153,886	5,188,719
Interest and fiscal charges	779,652	767,327	-	-	779,652	767,327
Water	-	-	1,285,391	1,338,455	1,285,391	1,338,455
Storm Water	-	-	696,986	586,526	696,986	586,526
Sanitary Sewer	-	-	1,113,731	1,271,182	1,113,731	1,271,182
Total expenses	<u>13,852,121</u>	<u>18,057,805</u>	<u>3,096,108</u>	<u>3,196,163</u>	<u>16,948,229</u>	<u>21,253,968</u>
Increase (decrease) in net assets before transfers	(426,570)	(5,271,215)	1,046,434	939,768	619,864	(4,331,447)
Transfers	219,885	200,566	(219,885)	(200,566)	-	-
Changes in net assets	(206,685)	(5,070,649)	826,549	739,202	619,864	(4,331,447)
Net assets - beginning of year	226,348	5,296,997	13,488,578	12,749,376	13,714,926	18,046,373
Net assets - end of year	<u>\$ 19,663</u>	<u>\$ 226,348</u>	<u>\$ 14,315,127</u>	<u>\$ 13,488,578</u>	<u>\$ 14,334,790</u>	<u>\$ 13,714,926</u>

Significant Changes in Governmental Activities

Governmental activities decreased the Village of Brown Deer's net assets by \$206,685, while the Business-type activities increased net assets by \$826,549. The change in net assets for governmental activities increased from 2008 due to the prior year spending on economic development related to TIF developer incentives and current year capital contributions. The change in net assets for Business-type activities increased between 2008 and 2009 primarily due to lower expenditures in the water and sanitary sewer utilities. Other individual increases to revenues and decreases to expenses are described below.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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Governmental Activities - Revenues

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. Charges for services are primarily made up of licenses, permits, public charges for services such as library, recycling and park and recreation fees, and intergovernmental charges for services such as library system fees, and health department charges. Operating grants are mainly from state resources received for highway maintenance and recycling programs. Capital grants fluctuate annually and are received to assist the Village in capital asset purchases. The table below compares Governmental activities revenues for 2008 and 2009.

	Governmental Activities			
	2009	2008	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 1,671,102	\$ 1,627,081	\$ 44,021	2.71%
Operating grants and contributions	753,316	782,055	(28,739)	-3.67%
Capital grants and contributions	1,166,530	69,751	1,096,779	1572.42%
General revenues:				
Property taxes	8,334,365	8,107,615	226,750	2.80%
Other taxes	433,152	594,277	(161,125)	-27.11%
Other general revenues	1,067,086	1,605,811	(538,725)	-33.55%
Total revenues	<u>\$ 13,425,551</u>	<u>\$ 12,786,590</u>	<u>\$ 638,961</u>	<u>5.00%</u>

Charges for services are primarily made up of cable franchise fees, building permits, court fines, recycling services, contributions from other governments for health services, library reciprocal borrowing payments received, and recreation fees. All charges for services increased \$44,021 from 2008. This increase was mainly due to increases in the following areas and amounts: liquor and malt beverage permits (10,360), cable franchise fees (\$40,000), alarm fees, (\$7,900), and interdepartmental charges from the storm water utility for labor (\$17,500). These increases were offset by decrease in TIF rental fees (\$50,000).

Liquor and malt beverage permits increased in 2009 due to the purchase of a reserve permit by FIS in December of 2009. The cable franchise fees increased as a result of an audit conducted by the North Shore Cable Commission which helped the Village more accurately recapture the franchise fees due to the community. In addition to the audit the Village also gained revenue from AT & T who came on as another cable provider in 2009. The alarm fees increased in 2009 because the Village attorney was enlisted to assist the Village with businesses that were not paying. The interdepartmental charges from the storm water utility for labor is correct based upon the expenditures which this revenue offsets, however the revenue amount was overlooked and was incorrectly budgeted for. The budget should have been \$17,500 higher thus giving the appearance of receiving more money than what was budgeted. The TIF rental fees decreased due to tenants moving during 2009 to facilitate demolition of the old building. The capital grants and contributions increased by \$1.1 million mainly in the public works department due to the completion of the North 60th and Bradley Street project which included state contributions.

The State of Wisconsin caps local municipal property tax increases by 2%, a growth factor based on the municipality's economic growth and the increase in debt service payments. This cap does not apply to property taxes levied for tax incremental financing districts. The levy for TIF districts is based on the tax levy of all overlapping taxing units and the increase in TIF property value. In 2009, property taxes levied for all purposes other than TIF increased \$149,303 or 2%. However due to increases in TIF values and

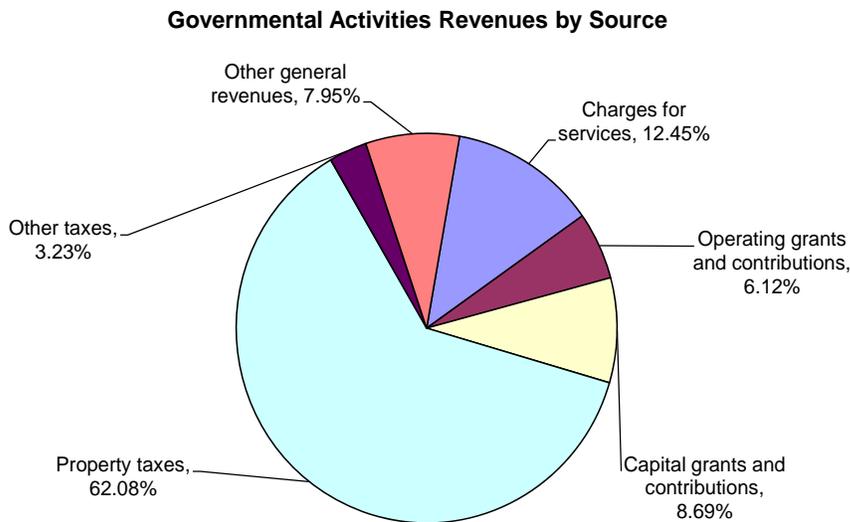
VILLAGE OF BROWN DEER

Management's Discussion and Analysis For the Year Ended December 31, 2009

taxes levied by other taxing units property taxes levied for TIF purposes increased \$289,610 or 34% from 2008.

Other taxes consists of the hotel room tax which due to the slow economy decreased by \$161,125 in 2009. Other general revenues primarily consist of general state aids and investment income. During 2009 the Village earned approximately \$143,000 less in investment income due to the continued deteriorating economic conditions. The Village received \$81,514 or 8.1% less in general state aids in 2009.

As identified above and on the chart below, property taxes are the largest revenue source for governmental activities accounting for 61% of total revenues. Like most Wisconsin municipalities the Village does not charge a local sales or income tax. The percentage composition of revenues has remained stable for the last several years.



Governmental Activities - Expenses

Governmental Activities expenses are broken down into various functions. General government includes administrative type costs such as Village government and financial management as well as some Village-wide shared costs such as information technology and insurance. Costs associated with the Village's police department, contributions for fire and dispatch services, and expenses related to building inspection are shown within the public safety function. The public works function includes expenses for street and sidewalk maintenance, winter and forestry operations, refuse and recycling as well as engineering, and planning expenses. Health and human services include expenses incurred for the health department programs such as restaurant licensing and health clinic costs. Culture, recreation and education expenses are primarily related to the Village's library services, and parks and program activities

See independent auditors' report

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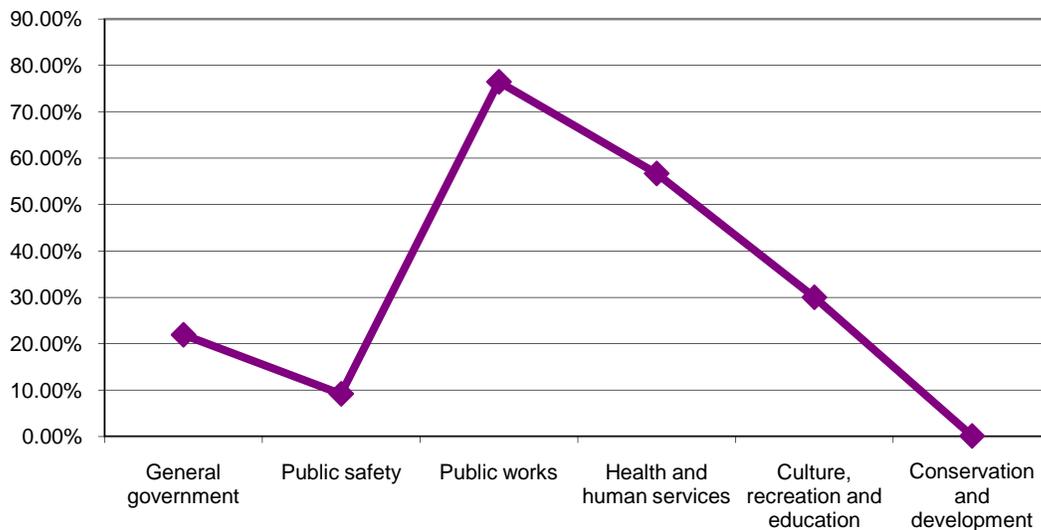
such as the 4th of July celebration, senior programs, and youth and adult athletic programs. Conservation and development expenses are incurred mainly within the Village's TIF districts in order to promote development of the Village's tax base. The table below compares 2008 and 2009 expenses and reasons for significant changes are addressed following the table.

Expenses	2009	2008	Change	% Chg
General government	\$ 1,399,299	\$ 1,604,219	\$ (204,920)	-12.77%
Public safety	6,085,914	6,027,981	57,933	0.96%
Public works	2,637,864	2,725,520	(87,656)	-3.22%
Health and human services	639,859	585,576	54,283	9.27%
Culture, recreation and education	1,155,647	1,158,463	(2,816)	-0.24%
Conservation and development	1,153,886	5,188,719	(4,034,833)	-77.76%
Interest and fiscal charges	779,652	767,327	12,325	1.61%
Total expenses	<u>\$ 13,852,121</u>	<u>\$ 18,057,805</u>	<u>\$ (4,205,684)</u>	<u>-23.29%</u>

Conservation and development expenditures decreased by \$4 million in 2009. In 2008, the Village incurred a one time expense for four developer incentive payments totaling over \$4.0 million. The Village was able to recover this cost through the TIF increments received and debt proceeds.

As mentioned within the revenues section, program revenues are revenues intended to pay for a certain activity or function. The graph below illustrates how much of each function's expenses are funded by program revenues. All expenses not funded through program revenues are financed with general revenues, primarily tax levy. In 2009, the Public Works Department was the function that was most funded by program revenues as a result of the capital contributions received for projects completed throughout the year. The Health and Human Services function is the second most funded by program revenues as the Village administers a health department for several other communities all of whom share in the costs of the program. Only the Village's portion of this program is funded by general revenues.

Percentages of Expenses funded by Program Revenues



VILLAGE OF BROWN DEER

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Significant Changes in Business-type Activities

Business-type Activities - Revenues

Unlike the Governmental activities, the Village's Business-type activities are financed primarily by user fees. The Village bills for water, storm and sanitary sewer charges to its customers on a quarterly basis. Any utility bills left unpaid as of October 31st are placed on the property owner's tax bill. The table below compares the 2008 to 2009 revenues.

	Business-type Activities			
	2009	2008	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 3,506,952	\$ 3,498,774	\$ 8,178	0.23%
Capital grants and contributions	579,555	510,239	69,316	13.59%
General revenues:				
Other general revenues	56,035	126,918	(70,883)	-55.85%
Total revenues	<u>\$ 4,142,542</u>	<u>\$ 4,135,931</u>	<u>\$ 6,611</u>	<u>0.16%</u>

The sanitary sewer utility adjusts the rates billed each quarter based on the charges received from MMSD. MMSD rates increased 4% in 2009 which is then directly passed on to the utility customers. Rates for all utilities are reviewed annually and adjusted as necessary.

Capital grants and contributions represent assets contributed by developers in the water and sewer utilities and capital grants received by the storm water utility. The storm water utility added mains to the infrastructure during 2009 using grants accounting for the \$69,000 increase.

Other general revenues category is interest income. As mentioned above, this revenue stream has continued to decrease drastically due to low interest rates in 2009.

Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2008 to 2009.

	Business-type Activities			
	2009	2008	Change	% Chg
Expenses				
Water	\$ 1,285,391	\$ 1,338,455	\$ (53,064)	-3.96%
Storm Water	696,986	586,526	110,460	18.83%
Sanitary Sewer	1,113,731	1,271,182	(157,451)	-12.39%
Total expenses	<u>\$ 3,096,108</u>	<u>\$ 3,196,163</u>	<u>\$ (100,055)</u>	<u>-3.13%</u>

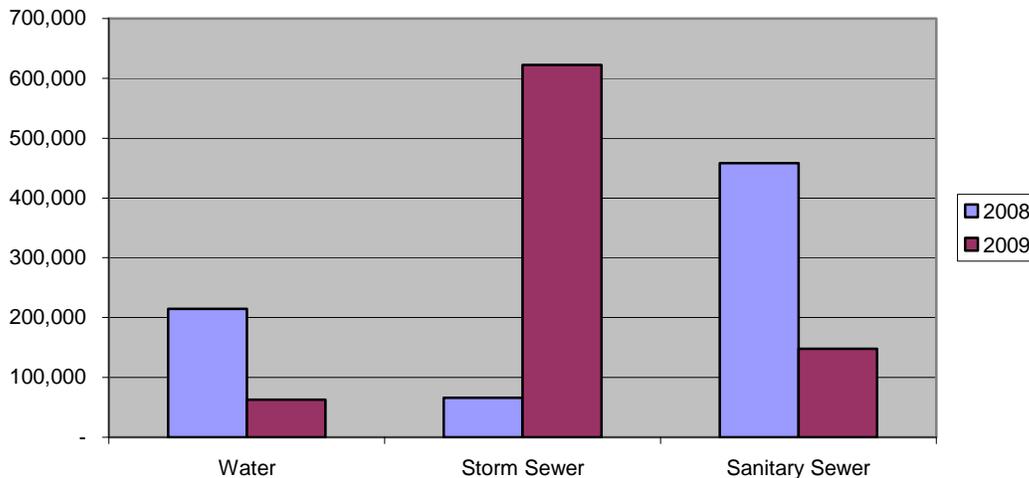
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Expenditures for the water utility decreased slightly from 2008 to 2009. The Sanitary Sewer expenses decreased 12.39% from 2008 largely due to lower meter expenditures and a delay in the budgeted inflow and infiltration projects for 2009. The Storm Water Utility on the other hand increased its expenditures by \$110,460 over 2008. This is mainly a result of increased projects in the storm water utility which results in increased labor and material costs.

Business-type activities increased the Village of Brown Deer's net assets by \$826,549 in 2009 and \$739,202 in 2008. While the change in net assets was comparable between 2008 and 2009, there was a large shift in where that increase came from between the two years. The graph below shows the net income by utility for each year.

Change in Net Assets 2008 to 2009



Specific reasons for these changes were previously addressed.

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

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Management's Discussion and Analysis For the Year Ended December 31, 2009

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 evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 28-30 of this report.

Because the focus of the 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 maintains fifteen 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, TIF No.2, TIF No.3, and the Debt Service Fund, all of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Brown Deer's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2009, the governmental funds reported combined ending fund balances of \$5,783,672, an increase of \$30,059 in comparison with the prior year. Sixty two percent (62%) of the Village's fund balance is *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for prepaid items, contractual commitments, other fund's deficit, and non-current receivables.

The General Fund is the chief operating fund of the Village of Brown Deer. As of December 31, 2009, the total fund balance of the general fund was \$2,224,668 of which \$2,138,358 was unreserved. This unreserved fund balance represents approximately 23% of total general fund expenditures. The Village has established a fund balance policy for the General Fund which sets the minimum fund balance at 15% of the subsequent year's budgeted expenditures. This policy has been met for 2009.

The TIF District No. 2 fund balance decreased due to the increased development costs related to the assisted living / senior apartment complex near West Bradley Road. The 2009 expenditures were supported with a borrowing completed in 2007, creating a decrease in fund balance of \$913,865. The TIF District continues to generate an increment sufficient for debt service and district projects.

TIF District No. 3 was created in 2005, but had very little development activity until 2008. During 2009, there was no further development within the TIF. In 2008, the Village offered some development incentives totaling \$2.3 million on the Lowe's and Walgreens projects which caused a deficit in the fund balance. In 2009, the increment increase from these properties helped increase revenues by \$100,000 but TIF District No. 3 still ended the year in a deficit fund balance of (\$402,550).

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Management's Discussion and Analysis For the Year Ended December 31, 2009

The Village's non-major funds increased fund balance by \$913,040 for the following reason:

- TIF No. 4 agreed to pay a developer \$1.1 million which was included in the 2008 expenditures as a liability under the developer agreement. The borrowing or debt transaction is not accrued by governmental accounting standards, therefore the financing shows as a 2009 financing source.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were below budget by \$342,000 and can be accounted for by the following revenues that did not meet budget expectations and some that exceeded the budget expectations:

- General Fund tax revenues were below budget by \$182,000 due to hotel room tax being lower than expected.
- Intergovernmental revenues were below budget by \$26,000 as a result of exempt computer aid being lower than anticipated.
- Licenses and permits exceeded budget by \$44,000 as
 - o Liquor & Malt Beverage permits exceeded the budget by \$10,000 due to the issuance of a reserve license to FIS in December 2009.
 - o Cable franchise fees were \$40,000 over budget. The Village receives these fees on cable services provided within the Village.
- Court fine revenues did not reach budgeted levels by \$35,000, but is a significant improvement over 2008.
- In 2009, the Village was not able to meet the budgeted target for investment income by \$161,000 due to the continuing decline in the economy.

General Fund expenditures were below the budgeted amount by \$237,000. General government exceeded the budget by \$30,000, a result of increased attorney fees due to negotiations with both the AFSCME and WPPA unions as well as two mediation sessions with the AFSCME union during 2009. Public safety was under budget by \$232,000 due to savings gained in salaries and benefits as a result of various positions being open and promotions within the department leading to periods of time when positions were vacant. The public works department was under budget by \$33,000 mainly due to less need for winter operations because of the mild snow fall in 2009.

There were no budget amendments made in 2009 and the Village was able to remain eligible for the State of Wisconsin expenditure restraint program. This program provides state funding to communities that restrict spending growth within their General Fund.

VILLAGE OF BROWN DEER

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PROPRIETARY FUNDS

The Village of Brown Deer maintains two different types of proprietary funds. One, *Enterprise funds* which are used to report the same functions presented as *business-type activities* in the government-wide financial statement. The Village uses enterprise funds to account for its water utility, storm water and sewer utility. Two, *Internal service funds* which are an accounting device used to accumulate and allocate costs internally among the Village of Brown Deer's various functions. The internal service fund is used to account for general liability insurance program through the Cities and Villages Mutual Insurance Company. Because this service predominantly benefits governmental rather than business-type functions, it has 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 storm water utility and the sewer utility, all of which are considered to be major funds of the Village of Brown Deer. The basic proprietary fund financial statements can be found on pages 31-34 of this report.

Unrestricted net assets of the water, storm water and sewer utilities at the end of the year amounted to \$1,353,705; \$741,494; and \$624,384 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village of Brown Deer's business-type activities.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Village of Brown Deer's own programs. Fiduciary funds maintained by the Village are: the Tax Collection Fund which records the tax roll and tax collection for other taxing jurisdictions; and the North Shore Cable Commission Fund which records the operations for the seven member communities' cable television community access channel. The Village serves as the fiscal agent. The basic fiduciary fund financial statements can be found on page 35 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-71 of this report. The information provided below on capital asset and long-term debt can also be found within the footnotes to the financial statements.

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Management's Discussion and Analysis
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CAPITAL ASSETS

The Village's capital asset activity for 2008 and 2009 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2009	2008	2009	2008
Land	\$ 1,148,694	\$ 1,297,994	\$ 11,654	\$ 11,653
Construction in progress	171,229	370,829	135,888	555,074
Machinery and equipment	2,448,114	2,413,708	1,173,399	1,186,099
Library collection	1,122,849	1,131,265	-	-
Buildings and improvements	6,448,265	6,336,406	477,886	477,886
Infrastructure	9,167,422	7,644,018	22,671,296	21,193,170
Total capital assets	<u>20,506,573</u>	<u>19,194,220</u>	<u>24,470,123</u>	<u>23,423,882</u>
Less accumulated depreciation	<u>(9,282,058)</u>	<u>(8,767,165)</u>	<u>(8,944,744)</u>	<u>(8,474,603)</u>
Capital assets net of depreciation	<u>\$ 11,224,515</u>	<u>\$ 10,427,055</u>	<u>\$ 15,525,379</u>	<u>\$ 14,949,279</u>

Governmental Activities

- Buildings and improvements increased from 2008 due to the replacement of the Village hall ceiling, the Village Hall entryway repairs, and the Village Hall remodel of the public restroom to be in compliance with the Americans with Disabilities Act. These projects combined for total additions of \$111,859.
- The Village sold the West Bradley Road (Jansen property) in 2009 which accounts for the decrease in land owned.
- There was a significant addition of \$1,523,404 in the infrastructure category. This increase was largely due to the North 60th Street and Bradley Road construction project that took place in 2009. The Village received significant state and federal contributions for this project.

Business-type Activities

- The water utility added to the Village's infrastructure by replacing water mains in older sections of the Village that had been experiencing significant numbers of main breaks for a cost of \$427,000.
- The storm water utility increased the infrastructure by adding new Baysaver Technology designed as a best management practice to treat storm water by separating debris and trapping pollutants before they enter the waterways for \$131,000.
- The storm water utility also spent \$108,000 in additional infrastructure working on the South Branch Creek stream bank restoration project.

Additional information on the Village of Brown Deer's capital assets can be found in Note IV D. on pages 58 through 60 and also in the supplemental information on page 85.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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LONG-TERM DEBT

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized valuation. The current debt limitation for the Village of Brown Deer is \$56,400,170, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of \$18,876,538. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2009, the Village of Brown Deer's outstanding debt equaled 33% of the state authorized debt.

The table below summarizes the Village's long term debt for 2008 and 2009:

	Governmental Activities		Business-type Activities	
	2009	2008	2009	2008
General obligation bonds and notes	\$14,021,654	\$13,532,421	\$ 4,854,884	\$ 5,283,522
Unamortized premium on bonds	-	-	15,146	-
Notes Payable	1,007,156	1,063,257	-	-
Compensated absences	681,710	625,064	33,128	37,585
OPEB liability	1,467,172	992,704	-	-
Total	<u>\$17,177,692</u>	<u>\$16,213,446</u>	<u>\$ 4,903,158</u>	<u>\$ 5,321,107</u>

In 2009, the Village of Brown Deer issued \$1,535,000 in general obligation bonds to refund \$1,525,000 of outstanding note anticipation notes. The net proceeds were used to prepay the outstanding debt service requirements on the old bonds. This refunding resulted in an economic gain of \$77,732 for the Village. Governmental activities of the Village also issued \$1.1 million of state trust fund loans in 2009 to fund the payment of a developer incentive in TIF No. 4. The business-type activities did not issue any new debt in 2009.

In 2007, the Village adopted GASB Statement No. 45 which required the Village to record a liability for unfunded future other post employment benefits. This Statement did not require retroactive reporting of this liability. At this time the Village is funding this liability on a pay-as-you-go method. Actuarial assumptions and further information on this liability can be found in note V D. on pages 68 through 70.

Additional information of the Village of Brown Deer's long-term debt can be found in note IV F. on pages 62 through 64 and also in the statistical section on pages 86 through 101.

OTHER INFORMATION

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 75-78 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current recession and economic conditions have impacted all communities across the United States. The Village of Brown Deer, while not exempt from this crisis has remained relatively sheltered from the worst of the problems. One advantage we have is that the collection of delinquent property taxes is taken over by Milwaukee County each August. The County then pays the Village for any uncollected amounts. This has helped shelter the Village from some of the revenue shortfalls that many other communities have felt. However, we have still experienced an increase in unemployment, a continued decrease in interest income in 2009 and still have the potential to see a decline in future state aids.

See independent auditors' report

VILLAGE OF BROWN DEER

Management's Discussion and Analysis For the Year Ended December 31, 2009

The unemployment rate for Milwaukee County as of December, 2009 was 9.2% compared to 6.5% in December, 2008. This compares with an unemployment rate of 8.5% for the State of Wisconsin and a 10% national rate. Rates for the Village specifically are not available. Rates were obtained using the Wisconsin's Worknet website through the Department of Workforce Development, using seasonally adjusted rates, found at <http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>.

Nationally, many municipalities are dealing with problems related to the continued decline of the real estate market. According to the State of Wisconsin's February, 2010 Economic Outlook report, existing home sales were up in the third quarter of 2009, for the first time since the recession began two years ago. Existing home sales in Wisconsin increased 5.8% from the third quarter of 2008, more than the Midwest Region which grew at a 5.2% and close to the nation's growth of 5.9%. The median home price statewide declined 6.3% from the third quarter of 2008, to \$148,000, lower than the 9.9% decline in the previous quarter. However, this decline is significantly affected by the \$8,000 federal tax credit for first-time homebuyers, as those purchases tend to be for lower-cost starter homes.

The Village's 2010 tax levy was again capped by the State of Wisconsin. The Village's limit for 2010 was 2% plus an adjustment for changes in debt service. The Village levied \$7,614,454 which is a 2% increase from the 2008 levy.

The Village's 2010 budget for the General Fund includes an increase of 0.3% in total expenditures due mainly to wages being frozen for employees and not filling a vacant position in Police Department. The 2010 General Fund budget is a balanced budget with no planned use of fund balance.

The Village of Brown Deer's 2009 and 2010 budgets qualify the Village to receive the State of Wisconsin's Expenditure Restraint Shared Revenue payment; as it did in past years. This program provides state funding to communities that restrict their General Fund budgeted expenditure growth by a certain percentage annually.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 12% of the Village's 2010 General Fund expenditures. The State is currently facing substantial revenue shortfalls due to the declining economy which will likely impact the Village's future years' revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Brown Deer's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer / Comptroller, 4800 West Green Brook Drive, Brown Deer, WI 53223.

General information relating to the Village of Brown Deer, Wisconsin, can be found at the Village's website, <http://www.browndeerwi.org>.

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VILLAGE OF BROWN DEER

STATEMENT OF NET ASSETS December 31, 2009

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 4,283,245	\$ 2,770,387	\$ 7,053,632
Temporary investments	1,316,082	-	1,316,082
Receivables (net)			
Taxes	9,079,806	-	9,079,806
Accounts	254,419	597,408	851,827
Other	169,368	74,415	243,783
Inventory	-	27,092	27,092
Land held for resale	434,753	-	434,753
Prepaid items	-	-	-
Deferred charges	-	39,069	39,069
Restricted cash and cash equivalents	-	585,602	585,602
Investment in CVMIC	429,675	-	429,675
Capital assets			
Land	1,148,694	11,654	1,160,348
Construction in progress	171,229	135,888	307,117
Other capital assets, net of depreciation	9,904,592	15,377,837	25,282,429
Total Assets	<u>27,191,863</u>	<u>19,619,352</u>	<u>46,811,215</u>
LIABILITIES			
Accounts payable and accrued expenses	623,629	295,725	919,354
Accrued interest payable	255,398	42,474	297,872
Due to other governments	7,042	-	7,042
Special deposits	28,443	-	28,443
Unearned revenue	9,079,996	62,868	9,142,864
Noncurrent liabilities			
Due within one year	1,171,486	486,377	1,657,863
Due in more than one year	16,006,206	4,416,781	20,422,987
Total Liabilities	<u>27,172,200</u>	<u>5,304,225</u>	<u>32,476,425</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,896,810	11,324,970	19,221,780
Restricted for			
Library purposes	139,934	-	139,934
Equipment replacement	-	270,574	270,574
Unrestricted (deficit)	<u>(8,017,081)</u>	<u>2,719,583</u>	<u>(5,297,498)</u>
TOTAL NET ASSETS	<u>\$ 19,663</u>	<u>\$ 14,315,127</u>	<u>\$ 14,334,790</u>

See accompanying notes to the financial statements.

VILLAGE OF BROWN DEER

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Totals
Governmental Activities							
General government	\$ 1,399,299	\$ 233,401	\$ 400	\$ 63,110	\$ (1,102,388)	\$ -	\$ (1,102,388)
Public safety	6,085,914	442,000	82,246	34,311	(5,527,357)	-	(5,527,357)
Public works	2,637,864	422,678	524,025	1,069,109	(622,052)	-	(622,052)
Health and human services	639,859	260,891	101,745	-	(277,223)	-	(277,223)
Culture, recreation and education	1,155,647	302,632	43,875	-	(809,140)	-	(809,140)
Conservation and development	1,153,886	9,500	1,025	-	(1,143,361)	-	(1,143,361)
Interest and fiscal charges	779,652	-	-	-	(779,652)	-	(779,652)
Total Governmental Activities	13,852,121	1,671,102	753,316	1,166,530	(10,261,173)	-	(10,261,173)
Business-type Activities							
Water Utility	1,285,391	1,527,206	-	29,910	-	271,725	271,725
Storm Water Utility	696,986	753,407	-	548,421	-	604,842	604,842
Sewer Utility	1,113,731	1,226,339	-	1,224	-	113,832	113,832
Total Business-type Activities	3,096,108	3,506,952	-	579,555	-	990,399	990,399
Total	\$ 16,948,229	\$ 5,178,054	\$ 753,316	\$ 1,746,085	(10,261,173)	990,399	(9,270,774)
General revenues							
Property taxes					6,414,539	-	6,414,539
Property taxes, levied for general purposes					728,286	-	728,286
Property taxes, levied for debt service					1,191,540	-	1,191,540
Property taxes, levied for capital projects					433,152	-	433,152
Hotel room taxes					809,936	-	809,936
Intergovernmental revenues not restricted to specific programs					173,266	56,035	229,301
Investment income					83,884	-	83,884
Other					9,834,603	56,035	9,890,638
Total General Revenues					219,885	(219,885)	-
Transfers							
Change in net assets					(206,685)	826,549	619,864
Net Assets - Beginning of Year					226,348	13,488,578	13,714,926
Net Assets - End of Year					\$ 19,663	\$ 14,315,127	\$ 14,334,790

See accompanying notes to the financial statements.

VILLAGE OF BROWN DEER

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	General	Capital Projects Funds		Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		TIF No. 2	TIF No. 3			
ASSETS						
Cash and cash equivalents	\$ 752,111	\$ 1,600,940	\$ -	\$ 30,797	\$ 1,875,574	\$ 4,259,422
Temporary investments	1,316,082	-	-	-	-	1,316,082
Receivables						
Taxes	6,147,620	580,264	493,518	701,854	1,156,550	9,079,806
Accounts	199,120	6,132	27,667	-	21,500	254,419
Due from other governments	62,900	20,614	-	-	85,854	169,368
Due from other funds	424,250	-	-	-	-	424,250
Land held for resale	-	434,753	-	-	-	434,753
TOTAL ASSETS	\$ 8,902,083	\$ 2,642,703	\$ 521,185	\$ 732,651	\$ 3,139,478	\$ 15,938,100
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 494,310	\$ 632	\$ -	\$ -	\$ 86,687	\$ 581,629
Due to other governments	7,042	-	-	-	-	7,042
Due to other funds	-	-	403,054	-	21,196	424,250
Special deposits	28,443	-	-	-	-	28,443
Deferred revenues	6,147,620	585,234	520,681	701,854	1,157,675	9,113,064
Total liabilities	6,677,415	585,866	923,735	701,854	1,265,558	10,154,428
Fund Balances (Deficits)						
Reserved for						
Non-current assets	85,891	434,753	-	-	-	520,644
Grant fund deficit	419	-	-	-	-	419
Encumbrances	-	1,622,084	-	-	-	1,622,084
Debt service	-	-	-	30,797	-	30,797
Unreserved, designated for, reported in:						
General fund						
Working capital	941,630	-	-	-	-	941,630
Specific purposes	7,416	-	-	-	-	7,416
Special revenue funds - 2009 budget appropriations	-	-	-	-	39,892	39,892
Unreserved, undesignated, reported in						
General fund, undesignated	1,189,312	-	-	-	-	1,189,312
Special revenue funds	-	-	-	-	1,447,139	1,447,139
Capital projects funds (deficit)	-	-	(402,550)	-	386,889	(15,661)
Total fund balances	2,224,668	2,056,837	(402,550)	30,797	1,873,920	5,783,672
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,902,083	\$ 2,642,703	\$ 521,185	\$ 732,651	\$ 3,139,478	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.						11,224,515
Special assessments recognized as revenue						33,068
Internal service fund is used by management to charge the costs of insurance to specific funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.						411,498
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.						(17,433,090)
NET ASSETS OF GOVERNMENTAL FUNDS						\$ 19,663

VILLAGE OF BROWN DEER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	General	Capital Projects Funds		Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
		TIF No. 2	TIF No. 3			
REVENUES						
Taxes	\$ 6,396,472	\$ 486,772	\$ 299,145	\$ 728,286	\$ 856,842	\$ 8,767,517
Intergovernmental revenues	1,243,584	2,527	6,146	-	539,721	1,791,978
Licenses and permits	413,860	-	-	-	83,851	497,711
Fines, forfeitures and penalties	239,217	-	-	-	-	239,217
Public charges for services	30,086	-	-	-	568,854	598,940
Public improvement revenues	-	-	-	-	40,832	40,832
Interdepartmental charges for services	381,808	-	-	-	-	381,808
Intergovernmental charges for services	-	-	-	-	303,416	303,416
Commercial revenues	158,735	71,035	12,054	647	67,192	309,663
Total Revenues	8,863,762	560,334	317,345	728,933	2,460,708	12,931,082
EXPENDITURES						
Current						
General government	1,429,045	-	-	-	-	1,429,045
Public safety	5,583,356	-	-	-	13,754	5,597,110
Public works	1,785,090	-	-	-	337,518	2,122,608
Health and human services	147,212	-	-	-	589,155	736,367
Culture, recreation and education	203,523	-	-	-	818,525	1,022,048
Conservation and development	-	1,092,956	3,511	-	88,554	1,185,021
Capital outlay	-	-	-	-	715,254	715,254
Debt service						
Principal retirement	-	90,000	-	522,527	56,150	668,677
Interest and fiscal charges	-	291,243	213,775	201,103	42,358	748,479
Total Expenditures	9,148,226	1,474,199	217,286	723,630	2,661,268	14,224,609
Excess (deficiency) of revenues over (under) expenditures	(284,464)	(913,865)	100,059	5,303	(200,560)	(1,293,527)
OTHER FINANCING SOURCES (USES)						
Transfers in	219,885	-	-	-	13,600	233,485
Transfers out	(13,600)	-	-	-	-	(13,600)
General obligation debt issued	-	-	-	374,439	1,100,000	1,474,439
Premium on debt issued	-	-	-	5,174	-	5,174
Refunded general obligation debt	-	-	-	(375,912)	-	(375,912)
Total other financing sources (uses)	206,285	-	-	3,701	1,113,600	1,323,586
Net Change in Fund Balance	(78,179)	(913,865)	100,059	9,004	913,040	30,059
FUND BALANCES - BEGINNING OF YEAR (DEFICIT)						
	2,302,847	2,970,702	(502,609)	21,793	960,880	5,753,613
FUND BALANCES - END OF YEAR (DEFICIT)						
	\$ 2,224,668	\$ 2,056,837	\$ (402,550)	\$ 30,797	\$ 1,873,920	\$ 5,783,672

VILLAGE OF BROWN DEER

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, 2009

Net change in fund balances - total governmental funds	\$	30,059
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in the statement of net assets, the cost of these assets is capitalized and they are depreciated over their useful lives and reported estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements		715,254
Some items reported as capital outlay were not capitalized		(254,268)
Insurance recoveries financing capital assets		40,234
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		63,882
Depreciation is reported in the government-wide financial statements		(777,581)
Net book value of assets retired		(1,421)
Contributed capital assets are reported as revenues in the government-wide financial statements		1,008,078
Receivables not currently available are reported as revenue when collected or when currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(50,086)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt proceeds		(1,474,439)
Principal repaid		1,044,589
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.		
Other post-employment benefits		(474,468)
Compensated absences		(56,646)
Accrued interest on debt		(31,174)
Internal service funds are used by management to charge self insurance costs to individual funds. The increase in net assets of the internal service fund is reported with governmental activities		11,302
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	(206,685)

VILLAGE OF BROWN DEER

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2009

	Business Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,236,126	\$ 977,113	\$ 557,148	\$ 2,770,387	\$ 23,823
Accounts receivable	249,228	232,970	115,210	597,408	-
Due from other governments	-	-	74,415	74,415	-
Materials and supplies inventory	27,092	-	-	27,092	-
Total current assets	1,512,446	1,210,083	746,773	3,469,302	23,823
Non-Current Assets					
Restricted Assets - cash and cash equivalents					
Construction funds	-	315,028	-	315,028	-
Equipment replacement funds	-	270,574	-	270,574	-
Capital Assets					
Land	11,654	-	-	11,654	-
Construction in progress	1,243	-	134,645	135,888	-
Structures, improvements and equipment	11,553,119	7,122,265	5,647,194	24,322,578	-
Accumulated depreciation	(3,848,655)	(3,471,074)	(1,625,012)	(8,944,741)	-
Other Assets					
Deferred debits	9,637	8,777	20,655	39,069	-
Advance to other funds	-	-	70,819	70,819	-
Investment in CVMIC	-	-	-	-	429,675
Total noncurrent assets	7,726,998	4,245,570	4,248,301	16,220,869	429,675
TOTAL ASSETS	9,239,444	5,455,653	4,995,074	19,690,171	453,498
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	79,322	166,807	49,596	295,725	42,000
Accrued interest	9,046	9,333	24,095	42,474	-
Deferred revenue	62,868	-	-	62,868	-
Current portion of long-term liabilities	84,000	81,024	330,239	495,263	-
Total current liabilities	235,236	257,164	403,930	896,330	42,000
Noncurrent Liabilities					
Accumulated sick and vacation pay	14,736	6,307	11,187	32,230	-
Advance from other funds	-	61,933	-	61,933	-
Long-term bonds and notes payable	942,304	946,604	2,495,643	4,384,551	-
Total Noncurrent liabilities	957,040	1,014,844	2,506,830	4,478,714	-
TOTAL LIABILITIES	1,192,276	1,272,008	2,910,760	5,375,044	42,000
NET ASSETS					
Invested in capital assets, net of related debt	6,693,463	3,288,687	1,342,820	11,324,970	-
Restricted for					
Equipment replacement	-	270,574	-	270,574	-
Unrestricted	1,353,705	624,384	741,494	2,719,583	411,498
TOTAL NET ASSETS	\$ 8,047,168	\$ 4,183,645	\$ 2,084,314	\$ 14,315,127	\$ 411,498

See accompanying notes to the financial statements.

VILLAGE OF BROWN DEER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2009

	Business Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility		
OPERATING REVENUES					
Sale of water	\$ 1,394,958	\$ -	\$ -	\$ 1,394,958	\$ -
Sewage collection charges	-	1,226,339	-	1,226,339	-
Stormwater charges	-	-	752,002	752,002	-
Other operating revenues	132,248	-	1,405	133,653	106,148
Total operating revenues	<u>1,527,206</u>	<u>1,226,339</u>	<u>753,407</u>	<u>3,506,952</u>	<u>106,148</u>
OPERATING EXPENSES					
Operation and maintenance	1,019,559	929,128	427,324	2,376,011	94,846
Depreciation	220,434	141,164	154,348	515,946	-
Taxes	3,372	-	-	3,372	-
Total operating expenses	<u>1,243,365</u>	<u>1,070,292</u>	<u>581,672</u>	<u>2,895,329</u>	<u>94,846</u>
Operating income (loss)	<u>283,841</u>	<u>156,047</u>	<u>171,735</u>	<u>611,623</u>	<u>11,302</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	10,754	34,048	11,233	56,035	-
Interest expense	(39,611)	(42,857)	(114,601)	(197,069)	-
Amortization of debt discount	(2,415)	(582)	(713)	(3,710)	-
Total nonoperating revenues (expense)	<u>(31,272)</u>	<u>(9,391)</u>	<u>(104,081)</u>	<u>(144,744)</u>	<u>-</u>
Income (loss) before contributions and transfers	252,569	146,656	67,654	466,879	11,302
CAPITAL CONTRIBUTIONS	29,910	1,224	548,421	579,555	-
TRANSFERS OUT	(219,885)	-	-	(219,885)	-
Change in net assets	62,594	147,880	616,075	826,549	11,302
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>7,984,574</u>	<u>4,035,765</u>	<u>1,468,239</u>	<u>13,488,578</u>	<u>400,196</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 8,047,168</u>	<u>\$ 4,183,645</u>	<u>\$ 2,084,314</u>	<u>\$ 14,315,127</u>	<u>\$ 411,498</u>

VILLAGE OF BROWN DEER

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2009

	Business Type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 1,481,458	\$ 1,179,177	\$ 753,042	\$ 3,413,677	\$ 106,148
Paid to suppliers for goods and services	(911,838)	(1,143,512)	(367,352)	(2,422,702)	(92,923)
Paid to employees for services	(70,979)	(44,676)	(105,001)	(220,656)	-
Receipts (payments) for interfund services	(13,459)	(27,225)	6,140	(34,544)	-
Net cash flows from operating activities	<u>485,182</u>	<u>(36,236)</u>	<u>286,829</u>	<u>735,775</u>	<u>13,225</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer out - paid for tax equivalent	(219,885)	-	-	(219,885)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issuance costs	(2,486)	(722)	(393)	(3,601)	-
Proceeds from long-term debt	184,200	100,656	875,705	1,160,561	-
Principal paid on long-term debt	(248,346)	(159,822)	(1,177,950)	(1,586,118)	-
Interest paid on long-term debt	(47,774)	(49,877)	(129,993)	(227,644)	-
Salvage value of utility plant retired	8,368	-	-	8,368	-
Payments on advances	-	(8,536)	-	(8,536)	-
Received on advances to other funds	-	-	8,536	8,536	-
Capital contributions	-	1,224	317,876	319,100	-
Acquisition and construction of capital assets	(398,790)	-	(273,697)	(672,487)	-
Net cash flows from capital and related financing activities	<u>(504,828)</u>	<u>(117,077)</u>	<u>(379,916)</u>	<u>(1,001,821)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	10,754	34,048	11,233	56,035	10,598
Net change in cash and cash equivalents	<u>(228,777)</u>	<u>(119,265)</u>	<u>(81,854)</u>	<u>(429,896)</u>	<u>23,823</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,464,903</u>	<u>1,681,980</u>	<u>639,002</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,236,126</u>	<u>\$ 1,562,715</u>	<u>\$ 557,148</u>	<u>\$ 3,355,989</u>	<u>\$ 23,823</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS					
Cash and cash equivalents	\$ 1,236,126	\$ 977,113	\$ 557,148	\$ 2,770,387	\$ 23,823
Restricted cash and cash equivalents	-	585,602	-	585,602	-
CASH AND CASH EQUIVALENTS	<u>\$ 1,236,126</u>	<u>\$ 1,562,715</u>	<u>\$ 557,148</u>	<u>\$ 3,355,989</u>	<u>\$ 23,823</u>

VILLAGE OF BROWN DEER

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (concluded)

For the Year Ended December 31, 2009

	Business Type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS), TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 283,841	\$ 156,047	\$ 171,735	\$ 611,623	\$ 11,302
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation	220,434	141,164	154,349	515,947	-
Depreciation charged to other funds	40,582	(37,657)	(2,925)	-	-
(Increase) decrease in assets					
Accounts receivable	(39,890)	(47,162)	(365)	(87,417)	-
Prepays	-	-	-	-	64,192
Inventory	(2,427)	-	-	(2,427)	-
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	(4,443)	(249,583)	(37,610)	(291,636)	(944)
Due to other funds	-	-	-	-	(61,325)
Deferred revenue	(5,858)	-	-	(5,858)	-
Accumulated sick leave payable	(7,057)	955	1,645	(4,457)	-
Net cash flows from operating activities	<u>\$ 485,182</u>	<u>\$ (36,236)</u>	<u>\$ 286,829</u>	<u>\$ 735,775</u>	<u>\$ 13,225</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Cost of utility plant additions contributed by developers	<u>\$ 29,910</u>	<u>\$ -</u>	<u>\$ 398,018</u>	<u>\$ 427,928</u>	<u>\$ -</u>

VILLAGE OF BROWN DEER

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 8,131,706
Temporary investments	3,948,247
Taxes receivable	9,527,855
Due from other governments	<u>1,063</u>
 TOTAL ASSETS	 <u>21,608,871</u>
LIABILITIES	
Accounts payable and accrued liabilities	1,492
Due to other taxing units	<u>21,607,379</u>
 TOTAL LIABILITIES	 <u>21,608,871</u>
 NET ASSETS	 <u><u>\$ -</u></u>

VILLAGE OF BROWN DEER

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VILLAGE OF BROWN DEER

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VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Brown Deer, Wisconsin ("Village") 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 Brown Deer. 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 entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-Wide Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary 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, liabilities, 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 enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

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.

Capital Projects Fund – TIF No. 2 Fund – accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing.

Capital Projects Fund – TIF No. 3 Fund – accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing.

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.

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

Storm Water Utility – accounts for operations of the storm water 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 to expenditures for specified purposes.

Grant Fund

Special Assessments Fund

Library Fund

North Shore Health Department Fund

North Shore Fire Department Asset Sale Fund

Police Asset Forfeiture Fund

Recycling Fund

Park and Recreation Program Fund

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

Capital Improvements Fund

TIF No. 4 Fund

Equipment Replacement Fund

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

In addition, the Village reports the following fund types:

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.

Risk Management Fund – accounts for the Village's participation in and purchase of general liability insurance from Cities and Villages Mutual Insurance Company.

Agency funds are used to account for assets held by the Village in a trustee capacity for the Village or as an agent for individuals, private organizations, and/or other governmental units.

Property Tax Fund – accounts for the collection of property tax for other taxing governmental agencies and the distributions made to those agencies.

North Shore Cable Commission Fund – accounts for activities associated with the North Shore Cable Commission. The Village serves as the fiscal agent for this organization.

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

Government-Wide Financial Statements

The government-wide statement of net assets 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, and liabilities 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 unearned revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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 storm water utilities 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.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. 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. Compensated absences are reported in the governmental funds only if they have matured.

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

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. The Village annually levies special assessments to finance the operation and maintenance costs of certain areas of street lighting. These assessments are reported as special assessments receivables and deferred revenue.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest, interdepartmental charges for services, cable television fees, library nonresident fees and interest. Other general revenues such as fines and forfeitures, licenses and permits, public charges for services and commercial revenues (except investment income) are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise 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 liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer and storm water utilities are charges to customers for sales and services. Operating expenses for proprietary 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

D. ASSETS, LIABILITIES, AND NET ASSETS 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:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. 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, or by the University of Wisconsin Hospitals and Clinics Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

1. Deposits and Investments (continued)

The Village has adopted an investment policy which states the Villages investments shall be in accordance with state statutes and provides the following guidelines for allowable investments:

Custodial Credit Risk

Collateralization is required on certificates of deposit that exceed the State and FDIC insurance limits and repurchase agreements. The amount to be collateralized is 102% of the market value of principal and accrued interest. The Village chooses to limit its collateral to U.S. treasury securities and its agencies. Collateral must be held by an independent third party with whom the entity has a current custodial agreement.

Credit Risk and Concentration of Credit Risk

Per state statutes, Village investments are limited to securities issued or guarantee by the federal governments, securities having the highest or second highest rating category or a nationally recognized agency and local government investment pools which are currently unrated.

With the exception of U.S. treasury securities and the State Local Investment Pool, no more than 60% of the Village's total investment portfolio will be invested in a single security type or with a single financial institution and no more than 10% shall be with a single issuer of U.S. agencies or commercial paper.

Interest Rate Risk

The Village limits its investments to investments with maturity less than five years unless specifically approved by the Village Board.

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 income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement 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, 2009, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these financial statements.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

1. Deposits and Investments (continued)

The CLASS investment (Cooperative Liquid Assets Securities System) is an investment pool established by an intergovernmental agreement dated March 1, 1996. CLASS is available for investment by Wisconsin governmental entities except school districts. CLASS is a 2a-7 like pool, and invests only in investments legally permissible under Wisconsin law, with a weighted average maturity not exceeding 120 days. The value of pool shares is the same as the fair value position in the pool.

See Note IV.A. for further information.

2. Receivables

Property taxes are levied in December 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 and due to other taxing units on the accompanying agency fund statement of fiduciary net assets.

Property tax calendar – 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	March 31, 2010
Third installment due	May 31, 2010
Personal property taxes in full	January 31, 2010
Tax settlements	
Initial settlement	January 15, 2010
Second settlement	February 15, 2010
Third settlement	April 15, 2010
Fourth settlement	June 15, 2010
Final settlement	August 15, 2010
Tax deed by County – 2009	
Delinquent real estate taxes	October 2012

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water, sewer and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

2. Receivables (continued)

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 assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The water, sewer and storm water utilities provide services to customers primarily within the municipal boundaries. Customers are billed on a quarterly basis as of the first day of March, June, September and December. Revenue for the month of December is consistently recognized as revenue in the subsequent year. Metered water sales to customers are billed at rates approved by the Public Service Commission of Wisconsin. Sewer and storm water customers are billed rates established by the Village's Board of Trustees. Delinquent balances at the time of the property tax lien date are placed on the customers' tax bill and collected through the normal tax collection process.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market on a first-in, first-out (FIFO) basis based on physical quantities on hand.

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.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets, and 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.

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 funds. No net 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, 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 assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	10-40 Years
Machinery and Equipment	5-15 Years
Library Collection	12 Years
Utility System	18-90 Years
Infrastructure	10-50 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 way as in the government-wide statements.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. The amounts for the government-wide governmental activities statements are not material and therefore are also recognized as expenditures in the current period.

For the proprietary fund statements and the government-wide business-type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick pay benefits and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary 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, and are payable with expendable available resources. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2009, are determined on the basis of current salary rates and included salary related payments.

8. 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 debts (plus any premiums) are 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, bond premiums and discounts incurred in the governmental funds are generally recognized as revenue or expense in the current period. For the government-wide business-type activities statements, bond premiums and discounts incurred in the proprietary funds are deferred and 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 both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

8. Long-Term Obligations/Conduit Debt (continued)

The Village has approved 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. The total amount of IRB's outstanding at the end of the year is approximately \$10.4 million, made up of two issues.

9. 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 would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The liability for claims and judgments is only reported in governmental funds if it has matured. The related expenditure is recognized when the liability is liquidated. 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.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)

11. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin and effective September 1, 2009.

Sewer Utility

Current sewer rates were approved by the Village Board on November 19, 2007 and effective January 1, 2008.

Storm Water Utility

Current storm water rates were approved by the Village Board on December 18, 2006 and effective January 1, 2007.

E. OTHER POLICIES – TAX INCREMENTAL DISTRICTS

On January 1, 1995, the Village created "Tax Incremental District No. 2, Village of Brown Deer, Wisconsin" to eliminate and prevent areas of blight within the Village by promoting public health, safety and welfare, and by increasing the Village's tax base, and the number of jobs available in the Village. Project costs are estimated to be \$2.0 million, which are being financed through prior years' bond issuances. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the related debt issues.

On March 7, 2005, the Village created "Tax Incremental District No. 3, Village of Brown Deer, Wisconsin" to eliminate areas of blight and stimulate the redevelopment of West Brown Deer Road corridor within the Village. Project costs are estimated to be \$7.4 million, which will be financed through future borrowings. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the related debt issues.

On March 7, 2005, the Village created "Tax Incremental District No. 4, Village of Brown Deer, Wisconsin" to eliminate and stimulate the redevelopment of the original Village Planned Development District and the Teutonia Avenue corridor within the Village. Project costs are estimated to be \$6.2 million, which will be financed through future borrowings. Property taxes to be generated in future years, measured by the increment in value of the property in the District over the base year, are to be used to retire the interest and principal of the related debt issues.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The details of this reconciliation include the following items.

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

Land	\$ 1,148,694
Construction in progress	171,229
Machinery and equipment	2,448,114
Library collection	1,122,849
Buildings and improvements	6,448,265
Infrastructure	9,167,422
Less: Accumulated depreciation	<u>(9,282,058)</u>
Adjustment for Capital Assets	<u>\$ 11,224,515</u>

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

Bonds and notes payable	\$ 15,028,810
Compensated absences	681,710
Other Post Employment Benefits	1,467,172
Accrued interest	<u>255,398</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 17,433,090</u>

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

A budget has been adopted for the general fund, special revenue funds (excluding Grant, North Shore Fire Department Asset Sale and Police Asset Forfeiture), debt service fund and the capital projects funds (excluding Park Plaza CSM fund). Wisconsin Statue 65.90 requires that an annual budget be adopted for all funds levying a general property tax.

The budgeted amounts presented include any amendments adopted during the year. The Village Manager may authorize transfers of budgeted amounts within the General Fund. Transfers between funds and changes to the total budget must be approved by two-thirds of the Village Board.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level for the General Fund and at the individual fund level for all other funds.

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Excess of expenditures over appropriations are as follows:

Fund	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
General Government	\$ 1,399,275	\$ 1,429,045	\$ 29,770
Health and Human Services	145,187	147,212	2,025
Debt Service Fund			
Interest and fiscal charges	195,759	201,103	5,344
Refunded general obligation debt	-	375,912	375,912
Special Revenue Funds			
North Shore Health Department	542,934	589,155	46,221
Capital Projects Fund			
TIF No. 2 Capital Projects Fund	1,137,515	1,474,199	336,684
Equipment Replacement Fund	340,460	428,616	88,156

The excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

C. DEFICIT BALANCES

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

As of December 31, 2009, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Grant Fund	\$ 419
TIF No. 3 Capital Projects Fund	402,550

The Grant Fund's deficit is anticipated to be funded with future contributions or general tax revenues.

The TIF No. 3 Capital Project Fund deficit is anticipated to be funded with future incremental taxes levied.

D. LIMITATIONS ON THE VILLAGE'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

E. INVESTED FUNDS

Per state statutes, time deposits of the Village are limited to maturities of three years or less. As of December 31, 2009, the Village had \$2.4 million of certificates of deposit with maturities of three to five years.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as cash and investments.

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

	Carrying Value	Statement Balance	Associated Risks
Petty Cash	\$ 6,672	\$ -	N/A
Demand deposits	14,335,735	14,458,732	Custodial credit risk
Money market funds	28,293	28,293	Custodial credit risk
LGIP	1,183,933	1,183,933	Credit and interest rate risks
MBIA CLASS Municipal Investors Fund	216,308	216,308	Credit and interest rate risks
U.S. agencies	254,610	254,610	Custodial, credit and interest rate risks
Certificates of deposit	5,009,719	5,009,719	Custodial credit risk
	<u>\$ 21,035,269</u>	<u>\$ 21,151,594</u>	

Reconciliation to financial statements

Per statement of net assets

Unrestricted

Cash and cash equivalents \$ 7,053,632

Temporary investments 1,316,082

Restricted cash and cash equivalents 585,602

Per statement of net assets - Fiduciary Funds

Cash and cash equivalents 8,131,706

Temporary investments 3,948,247

Total cash and investments \$ 21,035,269

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

The Village maintains collateral agreements with three banks. The banks pledge various government securities for the entire bank balance exceeding FDIC and the State Deposit Guarantee Fund coverages. As of December 31, 2009, \$9,824,162 of the Village's demand deposits were collateralized by securities held by the financial institution's trust department or agent in the Village's name.

Custodial Credit Risk

Deposits

Custodial risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of December 31, 2009, \$988,149 of the Village's total bank balances of \$14,458,732 was exposed to custodial credit risk as they were uninsured and uncollateralized.

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 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 obligations.

As of December 31, 2009, the Village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's Investors Services</u>
Money market funds	AAA	AAA
US Agencies	AAA	AAA

The Village also had investments in the LGIP and MBIA which are external pools and are not rated.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2009, the Village's investments matured as follows:

Investment Type	Fair Value	Maturity			
		Less than 6 months	6 months - 1 year	1 - 3 years	3 or more years
LGIP	\$ 1,183,933	\$ 1,183,933	\$ -	\$ -	\$ -
MBIA	216,308	216,308	-	-	-
US agencies	254,610	-	-	254,610	-
Certificates of deposit	5,009,718	493,784	499,144	1,642,034	2,374,756
Totals	<u>\$ 6,664,569</u>	<u>\$ 1,894,025</u>	<u>\$ 499,144</u>	<u>\$ 1,896,644</u>	<u>\$ 2,374,756</u>

See Note I.D.I. for the Village's investment policy and further information on deposits and investments.

B. RECEIVABLES

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components for *deferred revenue and unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable for subsequent year	\$ -	\$ 9,046,739	\$ 9,046,739
Advance collection of recreation fees	-	1,125	1,125
Developer receivables	-	32,132	32,132
Special assessments not yet due	<u>33,068</u>	<u>-</u>	<u>33,068</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 33,068</u>	<u>\$ 9,079,996</u>	<u>\$ 9,113,064</u>

No allowances for doubtful accounts have been established for the Village's receivables. All receivables are expected to be collected in the subsequent year except for delinquent personal property taxes and other receivables that total \$85,891.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. RESTRICTED ASSETS

Equipment Replacement Account

The Sewer Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources. The balance in this account as of December 31, 2009 was \$270,574.

Construction Funds

These funds represent debt proceeds of \$315,028 at December 31, 2009 that are restricted for use in the construction of sewer facilities.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 1,297,994	\$ 700	\$ 150,000	\$ 1,148,694
Construction in progress	370,829	218,040	417,640	171,229
Total Capital Assets Not Being Depreciated	<u>1,668,823</u>	<u>218,740</u>	<u>567,640</u>	<u>1,319,923</u>
Capital Assets being depreciated				
Machinery and equipment	2,413,708	226,217	191,811	2,448,114
Library collection	1,131,265	63,882	72,298	1,122,849
Buildings and improvements	6,336,406	111,859	-	6,448,265
Infrastructure	7,644,018	1,523,404	-	9,167,422
Total Capital Assets Being Depreciated	<u>17,525,397</u>	<u>1,925,362</u>	<u>264,109</u>	<u>19,186,650</u>
Total Capital Assets	<u>19,194,220</u>	<u>2,144,102</u>	<u>831,749</u>	<u>20,506,573</u>
Less: Accumulated Depreciation for				
Buildings and improvements	2,786,233	201,715	-	2,987,948
Library collection	618,115	87,687	72,298	633,504
Machinery and equipment	954,077	183,177	190,390	946,864
Infrastructure	4,408,740	305,002	-	4,713,742
Total Accumulated Depreciation	<u>8,767,165</u>	<u>777,581</u>	<u>262,688</u>	<u>9,282,058</u>
Net Capital Assets, Being Depreciated	<u>8,758,232</u>	<u>1,147,781</u>	<u>1,421</u>	<u>9,904,592</u>
Total Governmental Activities Capital Assets Net of Accumulated Depreciation	<u>\$ 10,427,055</u>	<u>\$ 1,366,521</u>	<u>\$ 569,061</u>	<u>\$ 11,224,515</u>

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 113,173
Public safety	84,137
Public works, which includes the depreciation of infrastructure	432,824
Culture, recreation and education	135,848
Conservation and development	<u>11,599</u>
Total Governmental Activities Depreciation Expense	<u>\$ 777,581</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital Assets not being depreciated				
Land	\$ 11,654	\$ -	\$ -	\$ 11,654
Construction in progress	<u>555,075</u>	<u>632,273</u>	<u>1,051,460</u>	<u>135,888</u>
Total Capital Assets Not Being Depreciated	<u>566,729</u>	<u>632,273</u>	<u>1,051,460</u>	<u>147,542</u>
Capital Assets being depreciated				
Structures and improvements	477,886	-	-	477,886
Water utility system	9,952,711	427,923	40,492	10,340,142
Sewer utility system	6,860,748	-	-	6,860,748
Storm water utility system	4,379,711	1,090,695	-	5,470,406
Machinery and equipment	<u>1,186,101</u>	<u>979</u>	<u>13,681</u>	<u>1,173,399</u>
Total Capital Assets Being Depreciated	<u>22,857,157</u>	<u>1,519,597</u>	<u>54,173</u>	<u>24,322,581</u>
Total Capital Assets	<u>23,423,886</u>	<u>2,151,870</u>	<u>1,105,633</u>	<u>24,470,123</u>
Less: Accumulated Depreciation for				
Structures and improvements	251,248	13,539	-	264,787
Water utility system	2,770,347	215,222	32,124	2,953,444
Sewer utility system	3,203,572	87,299	-	3,290,871
Storm water utility system	1,412,124	139,638	-	1,551,762
Machinery and equipment	<u>837,312</u>	<u>60,249</u>	<u>13,681</u>	<u>883,880</u>
Total Accumulated				
Depreciation	<u>8,474,603</u>	<u>515,946</u>	<u>45,805</u>	<u>8,944,744</u>
Net Capital Assets, Being Depreciated	<u>14,382,554</u>	<u>1,003,651</u>	<u>8,368</u>	<u>15,377,837</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,949,283</u>	<u>\$ 1,635,924</u>	<u>\$ 1,059,828</u>	<u>\$ 15,525,379</u>

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Business-type Activities

Water Utility	\$220,434
Sewer Utility	141,164
Storm Water Utility	<u>154,348</u>
Total Business-type Activities Depreciation Expense	<u>\$515,946</u>

E. INTERFUND RECEIVABLES / PAYABLES, ADVANCES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Interfund receivables / payables			
General Fund	Grant Fund	\$ 21,196	\$ -
General Fund	TIF #3	<u>403,054</u>	-
		424,250	
	Less: Fund eliminations	<u>(424,250)</u>	
	Total Internal Balances - Government-Wide Statement of Net Assets	<u>\$ -</u>	
Interfund Advances			
Storm Water Utility	Sewer Utility	\$ 70,819	\$ 61,933
	Less: Fund eliminations	<u>(70,819)</u>	
	Total Internal Balances - Government-Wide Statement of Net Assets	<u>\$ -</u>	

All interfund balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund receivables/payables are due within one year.

The interfund advance bears interest with rates ranging from 3.75% to 4.55% and is due annually in varying amounts through April 1, 2016.

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

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principle Purpose
General Fund	Water Utility	\$ 219,885	Payment in lieu of taxes
Equipment Replacement Fund	General Fund	13,600	Operating subsidy
Total - Fund Financial Statements		233,485	
Less: Fund eliminations		(13,600)	
Total Transfers - Government-wide Statement of Activities		\$ 219,885	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 219,885	
Business-type Activities	Governmental Activities	(219,885)	
Total Government-wide Financial Statements		\$ -	

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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 13,532,421	\$ 1,474,439	\$ 985,206	\$ 14,021,654	\$ 1,104,231
Note payable-Village of Whitefish Bay	692,809	-	37,401	655,408	39,182
Note payable-Village of Bayside	370,448	-	18,700	351,748	19,591
Total Bonds and Notes Payable	<u>14,595,678</u>	<u>1,474,439</u>	<u>1,041,307</u>	<u>15,028,810</u>	<u>1,163,004</u>
Other Liabilities					
Other post employment benefits	992,704	514,222	39,754	1,467,172	-
Vested compensated absences	625,064	286,278	229,632	681,710	8,482
Total Other Liabilities	<u>1,617,768</u>	<u>800,500</u>	<u>269,386</u>	<u>2,148,882</u>	<u>8,482</u>
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 16,213,446</u>	 <u>\$ 2,274,939</u>	 <u>\$ 1,310,693</u>	 <u>\$ 17,177,692</u>	 <u>\$ 1,171,486</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 5,283,522	\$ 1,160,561	\$ 1,589,199	\$ 4,854,884	\$ 485,479
Unamortized premium on bonds	-	16,036	890	15,146	-
Other Liabilities					
Vested compensated absences	37,585	21,160	25,617	33,128	898
 Total Business-type Activities Long-Term Liabilities	 <u>\$ 5,321,107</u>	 <u>\$ 1,197,757</u>	 <u>\$ 1,615,706</u>	 <u>\$ 4,903,158</u>	 <u>\$ 486,377</u>

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.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS (continued)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2009 was \$56,400,170. Total general obligation debt and related pledges outstanding at year end was \$18,876,538.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2009
Governmental Activities					
General Obligation Debt					
Taxable issues					
Promissory Notes	10/1/2000	4/1/2010	7.05-7.60%	\$ 550,000	\$ 100,000
Refunding Bonds	4/3/2008	4/1/2013	3.50-4.40%	690,000	575,000
	10/13/2009	4/4/2014	2.00-2.50%	374,439	374,439
Community Dev Bonds	9/29/2006	4/1/2026	5.35 - 5.8%	5,580,000	5,580,000
	5/2/2007	10/1/2022	5.4 - 5.5%	3,355,000	3,355,000
Tax-exempt issues					
Promissory Notes	4/1/2006	4/1/2016	3.75-3.80%	1,300,000	1,160,000
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	415,000	390,000
Capital Improvement Bonds	12/1/2001	4/1/2016	3.00-4.55%	1,150,000	655,000
State Trust Fund Loan	1/27/2003	3/15/2022	6.00%	824,408	658,948
	2/23/2006	3/15/2010	3.50-3.75%	278,000	73,267
	1/23/2009	3/15/2028	5.50%	1,100,000	1,100,000
Total Governmental Activities General Obligation Debt					\$ 14,021,654
Business-type Activities					
General Obligation Debt Tax Exempt					
Capital Improvement Bonds	12/1/2001	4/1/2016	3.00-4.55%	\$ 1,460,000	\$ 835,000
Refunding Bonds	10/13/2009	4/4/2014	2.00-2.50%	1,160,561	1,159,884
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	2,020,000	1,770,000
	4/3/2008	4/1/2016	2.60-4.00%	1,125,000	1,090,000
Total Business-type Activities General Obligation Debt					\$ 4,854,884

Note Payable – Village of Whitefish Bay

In 2002, the Village agreed to pay to the Village of Whitefish Bay \$943,823 for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The balance due on this note was \$655,408 on December 31, 2009. Principal is due annually on April 1 through 2022 and interest is due semi-annually on April 1 and October 1 with interest at rates of 2.3-4.85%.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS (continued)

Note Payable – Village of Bayside

In 2003, the Village agreed to pay to the Village of Bayside \$483,989 for a portion of various fire department projects in connection with the Village’s participation in the North Shore Fire Department. The balance due on this note was \$351,748 on December 31, 2009. Principal is due annually on August 1 through 2023 and interest is due semi-annually on February 1 and August 1 with interest at rates of 2.5-4.2%.

Annual Maturities of General Obligation Debt

Debt service requirements to maturity are as follows:

	Governmental Activities Bonds and Notes Payable		Business-type Activities Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2010	\$ 1,104,231	\$ 708,974	\$ 485,479	\$ 163,198
2011	989,191	651,241	504,259	149,364
2012	1,036,822	605,158	525,600	133,867
2013	1,097,749	555,301	534,380	117,095
2014	986,011	505,956	580,843	98,624
2015-2019	4,290,012	1,838,202	1,350,000	296,424
2020-2024	3,512,970	711,152	874,323	61,365
2025-2028	1,004,668	86,701	-	-
Totals	\$ 14,021,654	\$ 5,662,685	\$ 4,854,884	\$ 1,019,937

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability is primarily attributable to the general fund.

Current Refunding

On October 13, 2009 the Village issued \$1,535,000 in general obligation bonds with an average interest rate of 2.25% to current refund \$1,525,000 of outstanding note anticipation notes with an average interest rate of 4.37%. The net proceeds of \$1,525,510 (after debt discount and payment of underwriting fees, insurance and other issue costs) were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds prior to the current refunding was \$1,703,506 from 2010 through 2014. The cash flow requirements on the new bonds are \$1,626,605 from 2010 through 2014. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$77,732.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

G. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2009 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 1,148,694
Construction in progress	171,229
Other capital assets, net of accumulated depreciation	9,904,592
Less: related long-term debt outstanding	<u>(3,327,705)</u>
Total Invested in Capital Assets	<u>7,896,810</u>
Resticted for Library	<u>139,934</u>
Unrestricted (Deficit)	<u>(8,017,081)</u>
Total Governmental Activities Net Assets	<u>\$ 19,663</u>

Business -Type Activities

Invested in capital assets, net of related debt	
Land	\$ 11,654
Construction in progress	135,887
Other capital assets, net of accumulated depreciation	15,377,840
Less: related long-term debt outstanding	<u>(4,352,911)</u>
Plus: unspent capital related debt proceeds	<u>152,500</u>
Total Invested in Capital Assets	<u>11,324,970</u>
Resticted for equipment replacement	270,574
Unrestricted	<u>2,719,583</u>
Total Governmental Activities Net Assets	<u>\$ 14,315,127</u>

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible Village employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the general category are required by statute to contribute 5.9% of their salary (3.0% for executives and elected officials, 5.0% for protective occupations with social security, and 3.2% for protective occupations without social security) to the plan. Employers generally make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for employees covered by the System for the year ended December 31, 2009 was \$4,448,330; the employer's total payroll was \$4,571,114. The total required contribution paid entirely by the employer for the year ended December 31, 2009 was \$563,478, or 10.4% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ended December 31, 2008 and 2007 were \$570,777 and \$529,053, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: 1) final average earnings, 2) years of creditable service, and 3) a formula factor. Final average earnings is the average of the employee's three highest year earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation 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 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

There was no pension related debt for the Village as of December 31, 2009.

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; natural disasters; employee health claims and workers' compensation. The Village purchases general and automobile liability insurance from the Cities and Villages Mutual Insurance Company. The Village purchases commercial insurance for all other risks. There have been no significant reductions in insurance coverage for any risk of loss in the past year and settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (continued)

B. RISK MANAGEMENT (continued)

In 1987, the Village invested \$429,675 for participation in the Wisconsin Municipal Insurance Commission (WMIC), an intergovernmental cooperation commission created in August 1987 by contract under Section 66.30 of the Wisconsin Statutes to facilitate the organization, establishment and capitalization of the CVMIC. The Cities and Villages Mutual Insurance Company (CVMIC) is a mutual insurance company established on September 19, 1987 under section 611.23 of the Wisconsin Statutes to provide liability insurance coverage to the cities and villages which make up the membership of the WMIC.

In prior years, the CVMIC paid dividends to the Village based on a schedule designed to enable the Village to partially or totally finance the Village's debt service requirements on its related debt. As of December 31, 2007, the Village's debt and the WMIC's debt were paid in full. The WMIC has no assets, liabilities, equity or financial activity for the year ended December 31, 2009.

The CVMIC provides the Village with \$5.0 million of liability coverage for losses over its self-insurance retention level of \$25,000 per occurrence with a \$100,000 annual aggregate stop loss. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The Village's annual cost is its annual premium, claims and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating municipalities based on payroll and loss history. The Village and other participating cities and villages are subject to cover loss experiences that exceed predictions through retrospective assessments.

Management of WMIC and CVMIC consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The municipality does not exercise any control over the activities of the agencies beyond the election of the officers and board. Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. The Village's percentage participation in WMIC and CVMIC at December 31, 2009 was 1.02%. Upon withdrawal, expulsion or dissolution, the Village would be entitled to a lump sum payment which at December 31, 2009 would approximate \$240,000.

Complete financial statements for CVMIC can be obtained from the CVMIC administrative office at 1250 South Sunnyslope Road, Suite 105, Brookfield, WI 53005.

The Village has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon estimated from an annual actuarial study. The estimates of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Changes in the unpaid claim liability amount in fiscal years 2008 and 2009 were:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2008	\$ 42,000	\$ 1,992	\$ 1,048	\$ 42,944
2009	42,944	11,476	12,420	42,000

At December 31, 2009, the internal service fund established for liability insurance has net assets of \$411,498.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (continued)

C. INTER-MUNICIPAL AGREEMENTS

The Village is a member of the North Shore Fire Department along with the Villages of Bayside, Fox Point, River Hills, Shorewood, Whitefish Bay and the City of Glendale. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the proportion of the previous year's cost allocation formula percentage. The Department is governed by a seven member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2009, the Village incurred expenditures of \$2.0 million for fire protection and emergency medical services under this agreement. The Department's 2010 approved budget is \$13.5 million of which the Village's portion is approximately \$2.4 million. On December 31, 2009, the Department had total fund equity of approximately \$877,000, total net assets of \$1.6 million and investment in capital assets of approximately \$1.6 million. Complete 2009 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, WI 53223.

Also, the Village is a member of the Milwaukee Area Domestic Animal Control Commission along with eighteen other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for domestic animals. The Commission is governed by a nineteen member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. In 2005, the Commission borrowed \$1.5 million at various interest rates due through 2013, to refinance debt issued in 1997 for the purchase of land and the construction of a facility. The Village's share of that borrowing is approximately \$13,600. In 2007, the Commission borrowed \$185,000 at various interest rates due annually through 2012 to refinance outstanding pension liability. In 2008, the Commission borrowed \$190,000 at various interest rates due annually through 2013 to purchase a HVAC system. The Village's share of those borrowings is approximately \$1,887 and \$2,584, respectively.

D. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Village administers a single-employer defined benefit post-employment healthcare plan. The plan provides funding towards medical insurance benefits to eligible retirees and their families through the Village's group medical insurance plan, which covers both active and retired members. Benefit provisions and contribution requirements are established through collective bargaining agreements and other employment agreements and may be amended only through negotiations between the Village and the union, or for non-union employees between the Village and the employee. The eligibility requirements and the amount of the benefit vary based on the retiree's position, years of service, age at retirement and year retiring and ranges from \$85 to \$600 per month per retiree. If eligible, the retiree may elect to remain on the Village's healthcare plan until they are Medicare eligible.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (continued)

D. OTHER POST-EMPLOYMENT BENEFITS (continued)

Plan Description (continued)

As of December 31, 2009 the plan had 7 retirees receiving benefits and 69 active plan members. During 2009 the Village contributed \$19,110 to the plan and retirees contributed \$58,011.

The Village funds these post-employment benefits on a pay-as-you-go basis, accordingly no liability is recognized within the fund financial statements. However a liability is recorded for the unfunded liability on the government-wide financial statements on a go forward basis beginning on January 1, 2007 as allowed under Governmental Accounting Standards Board Statement No. 45.

Net OPEB Liability

The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount determined under the alternative measurement method in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years.

The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Village's net OPEB obligation:

Annual Required Contribution		\$	514,222
Interest on net OPEB obligation			37,226
Adjustment to annual required contribution			<u>(57,870)</u>
Annual OPEB cost (expense)			493,578
Contributions made			<u>(19,110)</u>
Increase in net OPEB Liability			474,468
 Net OPEB Liability - beginning of year			 <u>992,704</u>
Net OPEB Liability - end of year			<u>\$ 1,467,172</u>

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The Village implemented GASB Statement No. 45 as of January 1, 2007.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2007	\$ 514,222	3.1%	\$ 498,102
12/31/2008	514,222	3.8%	992,704
12/31/2009	493,578	3.9%	1,467,172

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (continued)

D. OTHER POST-EMPLOYMENT BENEFITS (continued)

Funded Status

The funded status as of January 1, 2008, the most recent actuarial valuation date, was 0 percent funded. The actuarial accrued liability for benefits was \$5,382,548 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,382,548. The covered payroll (annual payroll of active employees covered by the plan) was \$4.3 million, and the ratio of the UAAL to the covered payroll was 125%.

Alternative Measurement Method Assumptions

The Alternative measurement method of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples of these estimates include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual requested contributions of the Village are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, would present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As this is the first year the Village has implemented GASB Statement No. 45, this information is presented for the current year only.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the measurement. The measurement methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The Village utilized the alternative measurement method as of January 1, 2008. The method's assumptions included entry-age cost method, level percentage of payroll amortization method, a 3.75% rate of return and an annual healthcare cost trend rate of 9% in the initial year, reduced by 1% annually to a rate of 5% after four years. Both rates include a 3.75% rate of inflation assumption. The value of the plan assets was not determined as there were no plan assets as of the measurement date. The plan's unfunded actuarial liability is being amortized over 30 years, with 29 years of remaining amortization.

VILLAGE OF BROWN DEER

NOTES TO FINANCIAL STATEMENTS December 31, 2009

NOTE V – OTHER INFORMATION (continued)

E. COMMITMENTS AND CONTINGENCIES

From time to time, the Village becomes involved in legal actions and claims, most of which normally occur in governmental operations. Legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any proceedings known to exist at December 31, 2009, are not likely to have a material adverse impact on the Village's financial position.

The Village has entered into a number of agreements with developers which provide for future payments of \$3,135,000 in varying amounts during 2010 to 2012. These agreements are contingent upon future development obligations within the Village's TIF districts. Funding for future payments will come from future borrowings or tax increment if available.

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 grants. Management believes such disallowances, if any, would be immaterial.

F. LAND HELD FOR RESALE

In 2006, 2007, and 2008 the Village purchased certain parcels of land for a cost of \$2.1 million of which a portion has been sold in 2009. These properties are included in the Village's Tax Increment District No. 2 and are part of the Village's redevelopment plan. It is the intent of the Village to sell these properties at market value. The carrying value of the land held for resale is at the lower of cost or market.

G. SUBSEQUENT EVENTS

On April 5, 2010, the Village issued Taxable General Obligation Corporate Purpose Bonds (Build America Bonds) for \$5,355,000. The bond was issued to finance various projects within the Village including financing of parks and public grounds, street improvement projects, community development projects in TIF No. 4, and library projects. The bond matures in varying installments from 2011 through 2030 and bears interest of 2.1 - 5.8%. The bond is expected to be repaid through tax levies.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Application of these standards may restate portion of these financial statements. For the Village of Brown Deer these standards would be required to be implemented for the year ending December 31, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 6,579,266	\$ 6,396,472	\$ (182,794)
Intergovernmental revenues	1,269,724	1,243,584	(26,140)
Licenses and permits	369,400	413,860	44,460
Fines, forfeitures and penalties	275,000	239,217	(35,783)
Public charges for services	14,300	30,086	15,786
Interdepartmental charges for services	356,853	381,808	24,955
Commercial revenues	<u>342,000</u>	<u>158,735</u>	<u>(183,265)</u>
Total Revenues	<u>9,206,543</u>	<u>8,863,762</u>	<u>(342,781)</u>
EXPENDITURES			
Current			
General government	1,399,275	1,429,045	(29,770)
Public safety	5,815,853	5,583,356	232,497
Public works	1,818,822	1,785,090	33,732
Health and human services	145,187	147,212	(2,025)
Culture, recreation and education	<u>206,406</u>	<u>203,523</u>	<u>2,883</u>
Total Expenditures	<u>9,385,543</u>	<u>9,148,226</u>	<u>237,317</u>
Excess (deficiency) of revenues over expenditures	(179,000)	(284,464)	(105,464)
OTHER FINANCING SOURCES			
Transfers in	179,000	219,885	40,885
Transfers out	<u>-</u>	<u>(13,600)</u>	<u>(13,600)</u>
Total Other Financing Sources	<u>179,000</u>	<u>206,285</u>	<u>27,285</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(78,179)</u>	<u>\$ (78,179)</u>
FUND BALANCES - BEGINNING OF YEAR		<u>2,302,847</u>	
FUND BALANCES - END OF YEAR		<u>\$ 2,224,668</u>	

See independent auditors' report and accompanying notes to the required supplementary information

VILLAGE OF BROWN DEER

SCHEDULE OF FUNDING PROGRESS OF NET OPEB LIABILITY

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Uni (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/08	\$ -	\$ 5,382,548	\$ 5,382,548	0%	\$ 4,306,000	125%

NOTES:

- 1: The Village is required to present the above information for the three most recent actuarial studies. The above referenced study was performed as of January 1, 2008 and was the first and only study performed.
- 2: The data presented in this schedule was taken from the report issued by the actuary, except the Covered Payroll data was supplied by the Village.
- 3: The Village used the alternative measurement method for calculation of the AAL.

VILLAGE OF BROWN DEER

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2009

NOTE I –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, special revenue funds (excluding Grant, North Shore Fire Department Asset Sale and Police Asset Forfeiture), debt service funds and the capital projects funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds levying a general property tax.

The budgeted amounts presented include any amendments adopted during the year. The Village Manager may authorize transfers of budgeted amounts within the General Fund. Transfers between funds and changes to the total budget must be approved by two-thirds of the Village Board.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level for the General Fund and at the individual fund level for all other funds.

Excess of expenditures over appropriations are as follows:

<u>Fund</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund			
General Government	\$ 1,399,275	\$ 1,429,045	\$ 29,770
Health and human services	145,187	147,212	2,025

The excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

VILLAGE OF BROWN DEER

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2009

	Special Revenue Funds						
	Grant Fund	Special Assessments Fund	North Shore Health Department Fund	North Shore Fire Department Asset Sale Fund	Police Asset Forfeiture Fund	Recycling Fund	Park and Recreation Program Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 186,789	\$ 61,868	\$ 942,109	\$ 6,332	\$ 42,815	\$ 96,210
Accounts receivable	-	-	14,688	-	-	-	-
Taxes receivable	-	33,068	381,600	-	-	282,514	52,000
Due from other governments	21,711	-	64,143	-	-	-	-
TOTAL ASSETS	\$ 21,711	\$ 219,857	\$ 140,699	\$ 942,109	\$ 6,332	\$ 325,329	\$ 148,210
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 934	\$ 2,425	\$ 46,830	\$ -	\$ -	\$ 15,225	\$ 1,833
Due to other funds	21,196	-	-	-	-	-	-
Deferred revenues	-	33,068	381,600	-	-	282,514	53,125
Total liabilities	22,130	35,493	396,509	-	-	297,739	54,958
Fund Balances (Deficits) Unreserved							
Designated for 2010 budget appropriations	-	4,990	17,618	-	-	-	13,906
Undesignated (deficit)	(419)	179,374	76,251	942,109	6,332	27,590	79,346
Total fund balances	(419)	184,364	93,869	942,109	6,332	27,590	93,252
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,711	\$ 219,857	\$ 140,699	\$ 942,109	\$ 6,332	\$ 325,329	\$ 148,210

VILLAGE OF BROWN DEER

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

(concluded)
December 31, 2009

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital Improvements	Equipment Replacement Fund	TIF No. 4 Fund	
ASSETS				
Cash and cash equivalents	\$ 268,105	\$ 112,141	\$ 4,362	\$ 1,875,574
Accounts receivable	6,344	-	468	21,500
Taxes receivable	231,380	100,000	75,988	1,156,550
Due from other governments	-	-	-	85,854
TOTAL ASSETS	\$ 505,829	\$ 212,141	\$ 80,818	\$ 3,139,478
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,481	\$ 1,050	\$ -	\$ 86,687
Due to other funds	-	-	-	21,196
Deferred revenues	231,380	100,000	75,988	1,157,675
Total liabilities	234,861	101,050	75,988	1,265,558
Fund Balances (Deficits)				
Unreserved	-	-	-	39,892
Designated for 2010 budget appropriations	270,968	111,091	4,830	1,834,028
Undesignated (deficit)	270,968	111,091	4,830	1,873,920
Total fund balances	541,936	222,182	9,660	1,917,840
TOTAL LIABILITIES AND FUND BALANCES	\$ 505,829	\$ 212,141	\$ 80,818	\$ 3,139,478

VILLAGE OF BROWN DEER

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2009

	Special Revenue Funds							
	Grant Fund	Special Assessments Fund	Library Fund	North Shore Health Department Fund	Fire Department Asset Sale Fund	Police Asset Forfeiture Fund	Recycling Fund	Park and Recreation Program Fund
REVENUES								
Taxes	\$ -	\$ -	\$ 387,219	\$ -	\$ -	\$ -	\$ -	\$ 64,000
Intergovernmental revenues	103,738	-	138,060	134,532	-	-	70,811	-
Licenses and permits	-	-	-	83,851	-	-	-	-
Public charges for services	-	-	31,289	34,233	-	-	374,999	128,333
Public improvement revenues	-	40,832	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	303,416	-	-	-	-
Commercial revenues	-	3,033	14,032	944	13,436	93	7,053	17,916
Total revenues	103,738	43,865	570,600	556,976	13,436	93	452,863	210,249
EXPENDITURES								
Current:								
Public works	-	40,446	-	-	-	-	297,072	-
Health and human services	-	-	-	589,155	-	-	-	-
Culture, recreation and education	24,208	-	589,574	-	-	-	-	204,743
Conservation and development	-	-	-	-	-	-	-	-
Public safety	13,406	-	-	-	-	348	-	-
Capital outlay	66,543	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	104,157	40,446	589,574	589,155	-	348	297,072	204,743
Excess (deficiency) of revenues over (under) expenditures	(419)	3,419	(18,974)	(32,179)	13,436	(255)	155,791	5,506
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Proceeds from general obligation debt	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(419)	3,419	(18,974)	(32,179)	13,436	(255)	155,791	5,506
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	-	180,945	158,908	126,048	928,673	6,587	(128,201)	87,746
FUND BALANCES (DEFICIT) - END OF YEAR	(419)	184,364	139,934	93,869	942,109	6,332	27,590	93,252

VILLAGE OF BROWN DEER

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2009

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Capital Improvements	Equipment Replacement Fund	TIF No. 4 Fund		
REVENUES					
Taxes	\$ 231,380	\$ 100,000	\$ 74,243	\$	856,842
Intergovernmental revenues	57,599	34,312	669		539,721
Licenses and permits	-	-	-	-	83,851
Public charges for services	-	-	-	-	568,854
Public improvement revenues	-	-	-	-	40,832
Intergovernmental charges for services	-	-	-	-	303,416
Commercial revenues	6,153	3,359	1,173		67,192
Total revenues	<u>295,132</u>	<u>137,671</u>	<u>76,085</u>		<u>2,460,708</u>
EXPENDITURES					
Current:					
Public works	-	-	-	-	337,518
Health and human services	-	-	-	-	589,155
Culture, recreation and education	-	-	-	-	818,525
Conservation and development	-	-	88,554	-	88,554
Public safety	-	-	-	-	13,754
Capital outlay	318,603	330,108	-	-	715,254
Debt service:					
Principal	-	56,150	-	-	56,150
Interest and fiscal charges	-	42,358	-	-	42,358
Total expenditures	<u>318,603</u>	<u>428,616</u>	<u>88,554</u>		<u>2,661,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,471)</u>	<u>(290,945)</u>	<u>(12,469)</u>		<u>(200,560)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	13,600	-	-	13,600
Proceeds from general obligation debt	-	-	1,100,000	-	1,100,000
Total other financing sources (uses)	-	13,600	1,100,000	-	1,113,600
Net Change in Fund Balance	(23,471)	(277,345)	1,087,531		913,040
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	294,439	388,436	(1,082,701)		960,880
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 270,968	\$ 111,091	\$ 4,830		\$ 1,873,920

NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS

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

Grant Fund - This fund is used to account for various grants received by the Village.

Special Assessments Fund - This fund is used to account for assessment, collection, and disbursement of special assessments related to sewer, water, and street improvement projects.

Library Fund - This fund is used to account for the activities of the Village public library.

North Shore Health Department Fund - This fund is used to account for activity of the North Shore Health Department.

North Shore Fire Department Asset Sale Fund - This fund is used to account for the sale of various fire department assets to the North Shore Fire Department.

Police Asset Forfeiture Fund – This fund is used to account for asset forfeitures resulting from police activities.

Recycling Fund – This fund is used to account for the operations of the recycling program.

Park & Recreation Program Fund – This fund accounts for the operation of the Park & Recreation Programs. Funds are segregated in this special fund to account for the revenues and expenditures of park services and recreational programs.

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Capital Improvements Fund - This fund is used to account for all public works projects.

Equipment Replacement Fund - This fund is used to account for the rolling stock replacement program, which accumulates annual funding for the replacement of vehicles and similar equipment.

TIF No. 4 Fund – These funds are used to account for activity related to Tax Incremental District No. 4.

VILLAGE OF BROWN DEER

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For the Year Ended December 31, 2009

	Special Assessments Fund			Library Fund			North Shore Health Department Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 387,219	\$ 387,219	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	137,731	138,060	329	83,783	134,532	50,749
Licenses and permits	-	-	-	-	-	-	78,000	83,851	5,851
Public charges for services	-	-	-	36,000	31,289	(4,711)	57,500	34,233	(23,267)
Public improvement revenues	40,833	40,832	(1)	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	306,635	303,416	(3,219)
Commercial revenues	6,300	3,033	(3,267)	24,000	14,032	(9,968)	3,000	944	(2,056)
Total revenues	<u>47,133</u>	<u>43,865</u>	<u>(3,268)</u>	<u>584,950</u>	<u>570,600</u>	<u>(14,350)</u>	<u>528,918</u>	<u>556,976</u>	<u>28,058</u>
EXPENDITURES									
Current:									
Public works	59,279	40,446	18,833	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	542,934	589,155	(46,221)
Culture, recreation and education	-	-	-	610,046	589,574	20,472	-	-	-
Total expenditures	<u>59,279</u>	<u>40,446</u>	<u>18,833</u>	<u>610,046</u>	<u>589,574</u>	<u>20,472</u>	<u>542,934</u>	<u>589,155</u>	<u>(46,221)</u>
Net Change in Fund Balance	\$ (12,146)	3,419	\$ 15,565	\$ (25,096)	(18,974)	\$ 6,122	\$ (14,016)	(32,179)	\$ (46,221)
FUND BALANCES - BEGINNING OF YEAR		<u>180,945</u>			<u>158,908</u>			<u>126,048</u>	
FUND BALANCES - END OF YEAR (DEFICIT)		<u>\$ 184,364</u>			<u>\$ 139,934</u>			<u>\$ 93,869</u>	

VILLAGE OF BROWN DEER

**SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(concluded)**

For the Year Ended December 31, 2009

	Recycling Fund		Park and Recreation Program Fund		Variance with Final Budget
	Original and Final Budget	Actual	Original and Final Budget	Actual	
REVENUES					
Taxes	\$ -	\$ -	\$ 64,000	\$ 64,000	\$ -
Intergovernmental revenues	72,000	70,811	-	-	-
Public charges for services	393,750	374,999	143,722	128,333	(15,389)
Commercial revenues	6,400	7,053	24,658	17,916	(6,742)
Total revenues	<u>472,150</u>	<u>452,863</u>	<u>232,380</u>	<u>210,249</u>	<u>(22,131)</u>
EXPENDITURES					
Current:					
Public works	314,188	297,072	-	-	-
Culture, recreation and education	-	-	235,381	204,743	30,638
Total expenditures	<u>314,188</u>	<u>297,072</u>	<u>235,381</u>	<u>204,743</u>	<u>30,638</u>
Net Change in Fund Balance	\$ <u>157,962</u>	\$ <u>155,791</u>	\$ <u>(3,001)</u>	\$ <u>5,506</u>	\$ <u>8,507</u>
FUND BALANCES - BEGINNING OF YEAR		<u>(128,201)</u>		<u>87,746</u>	
FUND BALANCES - END OF YEAR (DEFICIT)		<u>\$ 27,590</u>		<u>\$ 93,252</u>	

DEBT SERVICE FUND

Debt Service Fund is used to account for the accumulation of resources for, and the payments of, the Village's general long-term debt principal and interest (other than debt accounted for in the Proprietary Funds).

VILLAGE OF BROWN DEER

DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 728,286	\$ 728,286	\$ -
Commercial revenues	5,000	647	(4,353)
Total revenues	<u>733,286</u>	<u>728,933</u>	<u>(4,353)</u>
EXPENDITURES			
Debt service:			
Principal	522,527	522,527	-
Interest and fiscal charges	195,759	201,103	(5,344)
Total expenditures	<u>718,286</u>	<u>723,630</u>	<u>(5,344)</u>
Deficiency of revenues over expenditures	<u>15,000</u>	<u>5,303</u>	<u>(9,697)</u>
OTHER FINANCING SOURCES (USES)			
General obligation debt issued	-	374,439	374,439
Premium on debt issued	-	5,174	5,174
Refunded general obligation debt	-	(375,912)	(375,912)
Total other financing sources	<u>-</u>	<u>3,701</u>	<u>3,701</u>
Net Change in Fund Balance	<u>\$ 15,000</u>	9,004	<u>\$ (5,996)</u>
FUND BALANCES - BEGINNING OF YEAR		<u>21,793</u>	
FUND BALANCES - END OF YEAR		<u>\$ 30,797</u>	

CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Capital Improvements Fund - This fund is used to account for all public works projects.

Equipment Replacement Fund - This fund is used to account for the rolling stock replacement program, which accumulates annual funding for the replacement of vehicles and similar equipment.

TIF No. 2 Fund - This fund is used to account for activity related to the Tax Incremental Financing District No. 2.

TIF No. 3 Fund - This fund is used to account for activity related to the Tax Incremental Financing District No. 3.

TIF No. 4 Fund - This fund is used to account for activity related to the Tax Incremental Financing District No. 4.

VILLAGE OF BROWN DEER

**CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2009**

	Capital Improvements Fund		Equipment Replacement Fund		TIF No. 2 Fund	
	Original and Final Budget	Variance with Final Budget	Original and Final Budget	Variance with Final Budget	Original and Final Budget	Variance with Final Budget
REVENUES						
Taxes	\$ 231,380	\$ -	\$ 100,000	\$ -	\$ 450,825	\$ 35,947
Intergovernmental revenues	135,000	(77,401)	3,600	30,712	3,000	(473)
Public charges for services	160,000	(160,000)	-	-	-	-
Commercial revenues	21,600	(15,447)	10,000	(6,641)	55,000	16,035
Total revenues	<u>547,980</u>	<u>(252,848)</u>	<u>113,600</u>	<u>24,071</u>	<u>508,825</u>	<u>51,509</u>
EXPENDITURES						
Current:						
Conservation and development	-	-	-	-	756,272	(336,684)
Capital outlay	640,930	322,327	340,460	10,352	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	(56,150)	90,000	-
Total expenditures	<u>640,930</u>	<u>322,327</u>	<u>340,460</u>	<u>(88,156)</u>	<u>291,243</u>	<u>(336,684)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,950)</u>	<u>(23,471)</u>	<u>(226,860)</u>	<u>(64,085)</u>	<u>(628,690)</u>	<u>(285,175)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	150,000	(136,400)	-	-
Sale of capital assets	-	-	5,000	(5,000)	-	-
Total other financing sources (uses)	-	-	<u>155,000</u>	<u>(141,400)</u>	-	-
Net Change in Fund Balance	<u>(92,950)</u>	<u>(23,471)</u>	<u>(71,860)</u>	<u>(205,485)</u>	<u>(628,690)</u>	<u>(285,175)</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>294,439</u>			<u>2,970,702</u>	
FUND BALANCES - END OF YEAR (DEFICIT)		<u>\$ 270,968</u>		<u>\$ 111,091</u>		<u>\$ 2,056,837</u>

VILLAGE OF BROWN DEER
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 (concluded)

For the Year Ended December 31, 2009

	TIF No. 3 Fund		TIF No. 4 Fund		Variance with Final Budget
	Original and Final Budget	Actual	Original and Final Budget	Actual	
REVENUES					
Taxes	\$ 277,000	\$ 299,145	\$ 22,145	\$ 74,243	\$ 6,243
Intergovernmental revenues	10,000	6,146	(3,854)	669	(331)
Commercial revenues	-	12,054	12,054	1,173	(827)
Total revenues	<u>287,000</u>	<u>317,345</u>	<u>30,345</u>	<u>76,085</u>	<u>5,085</u>
EXPENDITURES					
Current:					
Conservation and development	73,211	3,511	69,700	88,554	1,105,288
Debt service:					
Interest and fiscal charges	223,775	213,775	10,000	-	-
Total expenditures	<u>296,986</u>	<u>217,286</u>	<u>79,700</u>	<u>88,554</u>	<u>1,105,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,986)</u>	<u>100,059</u>	<u>110,045</u>	<u>(12,469)</u>	<u>1,110,373</u>
OTHER FINANCING SOURCES (USES)					
General Obligation Debt Issued	-	-	-	1,100,000	-
Net Change in Fund Balance	<u>\$ (9,986)</u>	<u>100,059</u>	<u>\$ 110,045</u>	<u>\$ (22,842)</u>	<u>\$ 1,110,373</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR		<u>(502,609)</u>		<u>(1,082,701)</u>	
FUND BALANCES - END OF YEAR (DEFICIT)		<u>\$ (402,550)</u>		<u>\$ 4,830</u>	

AGENCY FUNDS

Agency Funds are used to account for assets held by the Village as an agent for individuals, private organizations, other governmental units and/or other funds.

Property Tax Fund – This fund accounts for the collection of property tax for other taxing governmental agencies and the distributions made to those agencies.

North Shore Cable Commission – This fund is used to account for activities associated with the North Shore Cable Commission. The Village serves as the fiscal agent for this organization.

VILLAGE OF BROWN DEER

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES For the Year ended December 31, 2009

	Balance 12-31-08	Additions	Deletions	Balance 12-31-09
Property Tax Fund				
Assets				
Cash and cash equivalents	\$ 5,279,912	\$ 8,125,500	\$ 5,279,912	\$ 8,125,500
Temporary investments	2,992,438	3,948,247	2,992,438	3,948,247
Taxes receivable	12,826,603	9,527,855	12,826,603	9,527,855
Total	\$ 21,098,953	\$ 21,601,602	\$ 21,098,953	\$ 21,601,602
Liabilities				
Accounts payable and accrued liabilities	\$ 25,399	\$ 1,492	\$ 25,399	\$ 1,492
Due to other taxing units	21,073,554	21,600,110	21,073,554	21,600,110
Total	\$ 21,098,953	\$ 21,601,602	\$ 21,098,953	\$ 21,601,602
North Shore Cable Commission				
Assets				
Cash and cash equivalents	\$ 10,875	\$ 22,912	\$ 27,581	\$ 6,206
Due from other governments	5,081	1,063	5,081	1,063
Total	\$ 15,956	\$ 23,975	\$ 32,662	\$ 7,269
Liabilities				
Accounts payable	\$ 13,070	\$ -	\$ 13,070	\$ -
Due to other taxing units	2,886	7,269	2,886	7,269
Total	\$ 15,956	\$ 7,269	\$ 15,956	\$ 7,269
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 5,290,787	\$ 8,148,412	\$ 5,307,493	\$ 8,131,706
Temporary Investments	2,992,438	3,948,247	2,992,438	3,948,247
Taxes receivable	12,826,603	9,527,855	12,826,603	9,527,855
Due from other governments	5,081	1,063	5,081	1,063
Total	\$ 21,114,909	\$ 21,625,577	\$ 21,131,615	\$ 21,608,871
Liabilities				
Accounts payable and accrued liabilities	\$ 38,469	\$ 1,492	\$ 38,469	\$ 1,492
Due to other taxing units	21,076,440	21,607,379	21,076,440	21,607,379
Total	\$ 21,114,909	\$ 21,608,871	\$ 21,114,909	\$ 21,608,871

OTHER SUPPLEMENTARY INFORMATION

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

VILLAGE OF BROWN DEER

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES SCHEDULE BY SOURCE December 31, 2009

Capital assets

Land	\$	418,948
Right-of-way land		729,746
Construction in progress		171,229
Machinery and equipment		2,448,114
Library collection		1,122,849
Buildings and improvements		6,448,265
Infrastructure		<u>9,167,422</u>
Total capital assets	\$	<u>20,506,573</u>

Investment in capital assets by source

Assets purchased prior to 1/01/99	\$	10,537,083
General fund		38,709
Special revenues funds		1,339,254
Capital project funds		<u>8,591,527</u>
Total investment in capital assets	\$	<u>20,506,573</u>

STATISTICAL SECTION

VILLAGE OF BROWN DEER, WISCONSIN

Statistical Section

This part of the Village of Brown Deer's comprehensive annual financial report presents thorough information as a framework for understanding what the information in the financial statements note disclosures, and required supplementary information says about the overall financial well-being of the Village.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue new debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is obtained from the comprehensive annual financial reports for the given year. The village implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Village of Brown Deer

Net Assets by Component
Last seven fiscal years
Schedule 1

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities							
Invested in capital assets, net of related debt	(724,239)	938,608	2,124,776	1,931,018	4,507,883	6,521,521	7,896,810
Restricted	351,606	330,189	292,330	373,925	576,532	158,908	139,934
Unrestricted	740,007	1,416,753	982,965	47,583	212,582	(6,454,081)	(8,017,081)
Total governmental activities net assets	367,374	2,685,550	3,400,071	2,352,526	5,296,997	226,348	19,663
Business-type Activities							
Invested in capital assets, net of related debt	11,543,073	9,789,787	10,116,023	10,615,509	10,732,537	10,817,430	11,324,970
Restricted	236,100	236,100	236,100	238,177	250,410	256,627	270,574
Unrestricted	1,074,556	1,143,198	1,124,508	1,303,419	1,766,429	2,414,521	2,719,583
Total business-type activities net assets	12,853,729	11,169,085	11,476,631	12,157,105	12,749,376	13,488,578	14,315,127
Primary government							
Invested in capital assets, net of related debt	10,818,834	10,728,395	12,240,799	12,546,527	15,240,420	17,338,951	19,221,780
Restricted	587,706	566,289	528,430	612,102	826,942	415,535	410,508
Unrestricted	1,814,563	2,559,951	2,107,473	1,351,002	1,979,011	(4,039,560)	(5,297,498)
Total primary government net assets	13,221,103	13,854,635	14,876,702	14,509,631	18,046,373	13,714,926	14,334,790

(1) According to GASB 44, a ten year trend should be shown. We implemented GASB 34 in the 2003 fiscal year. Until a 10 year trend is compiled, we will show the the trend of the most current years reflecting GASB 34 standards.

Village of Brown Deer

Changes in Net Assets
Last seven fiscal years
Schedule 2

	2003	2004	2005	Fiscal Year 2006	2007	2008	2009
Expenses							
Governmental Activities:							
General Government	1,568,674	1,354,753	1,248,252	1,310,904	1,428,147	1,604,219	1,399,299
Public Safety	5,539,070	5,122,670	5,560,569	5,297,075	5,840,005	6,027,981	6,085,914
Public Works	1,614,576	1,730,582	1,673,057	1,653,951	2,515,341	2,725,520	2,637,864
Health & Human Services	626,504	577,398	427,809	447,877	588,902	585,576	639,859
Culture, recreation & education	1,053,665	1,051,794	1,042,838	1,040,708	1,210,538	1,158,463	1,155,647
Conservation & development	414,926	1,932,949	238,773	2,893,011	252,903	5,188,719	1,153,886
Interest & Fiscal Charges	539,004	553,301	323,714	500,144	788,676	767,327	779,652
Total government activities expense	11,356,419	12,323,447	10,515,012	13,143,670	12,624,512	18,057,805	13,852,121
Business-type Activities:							
Water Utility	1,237,623	1,208,994	1,210,456	1,229,903	1,300,484	1,338,455	1,285,391
Storm Water Utility	-	222,515	579,859	821,892	559,051	586,526	696,986
Sewer Utility	785,222	864,541	1,033,598	1,119,759	871,343	1,271,182	1,113,731
Total business-type activities expense	2,022,845	2,296,050	2,823,913	3,171,554	2,730,878	3,196,163	3,096,108
Total Primary Government Expense	13,379,264	14,619,497	13,338,925	16,315,224	15,355,390	21,253,968	16,948,229
Program Revenues							
Governmental Activities:							
Charges for Services	1,788,652	2,712,013	1,451,914	1,414,442	1,408,034	1,627,081	1,671,102
Operating Grants and Contributions	835,838	731,438	686,192	851,256	742,801	782,055	753,316
Capital Grants and Contributions	57,218	106,220	80,038	1,600	113,339	69,751	1,166,530
Total governmental activities program revenues	2,681,708	3,549,671	2,218,144	2,267,298	2,264,174	2,478,887	3,590,948
Business-type activities:							
Charges for Services	2,144,344	2,350,586	3,103,044	3,218,657	3,209,385	3,498,774	3,506,952
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	9,495	19,303	100,125	659,425	125,041	510,239	579,555
Total business-type activities program revenues	2,153,839	2,369,889	3,203,169	3,878,082	3,334,426	4,009,013	4,086,507
Total Primary Government Program Revenues	4,835,547	5,919,560	5,421,313	6,145,380	5,598,600	6,487,900	7,677,455
Net (Expense)/Revenue							
Governmental Activities	(8,674,711)	(8,773,776)	(8,296,868)	(10,876,372)	(10,360,338)	(15,578,918)	(10,261,173)
Business-type Activities	130,994	73,839	379,256	706,528	603,548	812,850	990,399
Total Primary Government Net Expense	(8,543,717)	(8,699,937)	(7,917,612)	(10,169,844)	(9,756,790)	(14,766,068)	(9,270,774)
General Revenues and Other changes in Net Assets							
Governmental Activities:							
Property Taxes	6,755,934	6,755,663	7,175,285	7,589,400	7,678,552	8,107,615	8,334,365
Hotel Room Taxes	429,445	448,135	463,345	532,554	562,272	594,277	433,152
Intergov't revenues not restr to spec progra	1,193,049	1,105,161	870,427	902,394	897,517	834,519	809,936
Investment Income	257,638	307,247	351,456	591,811	870,154	521,324	173,266
Miscellaneous	29,327	18,095	18,495	42,632	20,314	249,968	83,884
Gain on sale/disposal of capital assets	30,175	-	2,870	-	-	-	-
Special Item-Forgiveness of debt	-	370,000	-	-	-	-	-
Transfers	177,336	173,224	129,511	170,036	178,658	200,566	219,885
Total Governmental Activities	8,872,904	9,177,525	9,011,389	9,828,827	10,207,467	10,508,269	10,054,488
Business-type Activities:							
Investment Income	14,424	25,534	57,801	143,982	167,381	126,918	56,035
Transfers	(177,336)	(173,224)	(129,511)	(170,036)	(178,658)	(200,566)	(219,885)
Total Business-type Activities	(162,912)	(147,690)	(71,710)	(26,054)	(11,277)	(73,648)	(163,850)
Total Primary Government	8,709,992	9,029,835	8,939,679	9,802,773	10,196,190	10,434,621	9,890,638
Change in Net Assets							
Governmental Activities	198,193	403,749	714,521	(1,047,545)	(152,871)	(5,070,649)	(206,685)
Business-type Activities	(31,918)	(73,851)	307,546	680,474	592,271	739,202	826,549
Total Primary Government	166,275	329,898	1,022,067	(367,071)	439,400	(4,331,447)	619,864

(1) According to GASB 44, a ten year trend should be shown. We implemented GASB 34 in the 2003 fiscal year. Until a 10 year trend is compiled, we will show the trend of the most current years reflecting GASB 34 standards.
 (2) Past year's revenues and expenses have not been adjusted for restatements made in future years.

Village of Brown Deer

Fund Balances, Governmental Funds Last ten fiscal years Schedule 3

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	103,818	63,166	129,881	15,416	69,529	20,945	41,813	174,201	218,234	86,310
Unreserved	1,303,699	1,331,671	1,149,597	1,393,131	1,476,928	1,525,327	2,142,814	2,170,494	2,084,613	2,138,358
Total General Fund	1,407,517	1,394,837	1,279,478	1,408,547	1,546,457	1,546,272	2,184,627	2,344,695	2,302,847	2,224,668
All Other Governmental Funds										
Reserved	400,644	427,400	279,573	657,979	-	94,487	134,438	5,825,172	2,992,495	2,087,634
Unreserved, reported in:										
Special Revenue Funds	793,213	654,566	1,432,964	1,635,936	1,657,546	1,518,313	1,646,105	1,664,963	1,360,706	1,487,031
Capital Projects Funds	1,698,175	3,450,396	3,847,345	1,046,930	2,234,487	1,656,825	5,232,585	2,797,314	(902,435)	(15,661)
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	2,892,032	4,532,362	5,559,882	3,340,845	3,892,033	3,269,625	7,013,128	10,287,449	3,450,766	3,559,004
Total Fund Balances	4,299,549	5,927,199	6,839,360	4,749,392	5,438,490	4,815,897	9,197,755	12,632,144	5,753,613	5,783,672

(1) 2006 data has been adjusted for the restatement made in 2007.

Village of Brown Deer

Changes in Fund Balance, Governmental Funds
Last ten fiscal years
Schedule 4

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	6,348,633	6,630,650	7,123,840	7,185,379	7,203,799	7,638,630	8,121,954	8,240,825	8,701,892	8,767,517
Intergovernmental Revenues	2,165,993	2,102,727	2,645,734	2,040,584	1,911,190	1,598,052	1,633,872	1,724,335	1,807,380	1,791,978
Licenses & Permits	225,598	316,974	296,253	321,129	343,360	356,642	391,722	418,859	566,574	497,711
Fines, Forfeits, & Penalties	301,293	289,378	281,082	298,346	318,649	263,269	228,259	190,952	234,898	239,217
Charges for Services	915,052	1,005,722	993,452	392,528	447,600	430,612	462,718	461,167	402,427	588,940
Public Improvement Revenues	30,598	30,367	26,271	30,213	20,879	22,257	27,403	23,803	35,916	40,832
Interdepartmental charges for Services	268,170	286,669	246,657	421,298	163,675	158,507	150,976	132,697	185,704	381,808
Intergovernmental charges for Services	184,870	138,163	147,848	272,494	436,651	519,406	471,568	464,793	291,341	303,416
Commercial Revenues	900,073	755,518	503,229	302,152	1,296,365	348,618	695,436	896,673	640,312	309,663
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-
Total Revenues	11,340,280	11,556,168	12,204,366	11,264,123	12,142,168	11,335,993	12,183,908	12,554,104	12,866,444	12,931,082
Expenditures										
Current										
General Government	1,291,110	1,181,198	1,141,453	1,477,781	1,352,105	1,245,905	1,304,354	1,289,577	1,312,184	1,429,045
Public Safety	4,419,383	4,760,505	5,093,769	4,819,929	4,927,090	5,282,256	5,043,607	5,360,445	5,689,106	5,597,110
Public Works	916,177	988,800	964,254	1,469,585	1,522,897	1,537,451	1,639,818	1,799,267	2,175,827	2,122,608
Health & Human Services	1,767,871	1,759,385	1,711,124	637,428	571,586	573,869	597,059	676,855	700,576	736,367
Culture, Recreation & Education	908,399	929,385	965,890	1,040,569	980,110	974,980	914,264	975,769	1,005,877	1,022,048
Conservation & Development	-	-	-	28,746	33,002	14,589	-	75,037	5,250,100	1,185,021
Other	112,427	113,177	81,616	-	-	-	-	-	-	-
Capital Outlay	949,956	1,836,623	826,658	1,619,623	2,516,473	1,437,273	4,964,572	1,861,175	1,173,198	715,254
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	607,964	686,962	834,738	850,926	917,028	728,876	755,529	938,034	2,494,258	668,677
Interest & Fiscal Charges	462,558	461,633	499,084	498,935	514,473	322,575	353,132	726,209	847,924	748,479
Total Expenditures	11,435,845	12,717,668	12,118,586	12,443,522	13,334,764	12,117,774	15,572,335	13,702,368	20,649,050	14,224,609
Excess of Revenues Over/(Under) Expenditures	(95,565)	(1,161,500)	85,780	(1,179,399)	(1,192,596)	(781,781)	(3,388,427)	(1,148,264)	(7,782,606)	(1,293,527)
Other Financing Sources/(Uses)										
Transfers In	136,179	258,770	427,413	669,072	797,350	565,949	463,866	752,206	1,366,041	233,485
Transfers Out	(136,179)	(258,770)	(427,413)	(491,736)	(624,126)	(436,438)	(293,830)	(573,548)	(1,165,475)	(13,600)
Debt										
General obligation debt issued	550,000	2,610,000	-	824,408	3,385,000	-	7,573,961	3,355,000	690,000	1,474,439
Premium on debt issued	-	-	-	-	36,415	-	-	6,392	-	5,174
Refunded general Obligation Debt	-	-	-	-	(1,720,000)	-	-	-	-	(375,912)
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-
Payment of Unfunded pension liability	-	-	-	(824,408)	-	-	-	-	-	-
Sale of Capital Assets	136,723	179,150	1,138,375	41,187	7,055	29,677	26,289	37,050	13,509	-
Total Other Financing Sources/(Uses)	686,723	2,789,150	1,138,375	218,523	1,881,694	159,188	7,770,286	3,577,100	904,075	1,323,586
Net Change in Fund Balances	591,158	1,627,650	1,224,155	(960,876)	689,098	(622,593)	4,381,859	2,428,836	(6,878,531)	30,059
Debt Service as a percentage of noncapital expen	10.21%	10.56%	11.81%	12.47%	13.23%	9.84%	10.45%	14.05%	17.16%	10.49%

(2) Past year's revenues and expenditures have not been adjusted for restatements made in future years.

Village of Brown Deer

Assessed Value and Actual Value of Taxable Property
Last ten fiscal years
Table 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value *	Total Direct Tax Rate	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2000	416,743,400	229,444,700	20,436,200	-	42,367,148	708,991,448	8.25	795,002,801	89.18%
2001	420,403,250	239,340,700	21,561,100	-	36,272,100	717,577,150	9.06	821,392,800	87.36%
2002	421,888,350	241,438,600	21,305,200	-	42,702,115	727,334,265	8.90	864,832,900	84.10%
2003	424,570,650	241,420,000	20,504,500	-	35,120,444	721,615,594	8.94	893,424,600	80.77%
2004	551,142,900	285,391,900	24,049,400	2,000	36,559,734	897,145,934	7.67	953,396,417	94.10%
2005	557,280,100	277,397,900	25,186,400	2,000	32,634,927	892,501,327	7.93	977,818,400	91.27%
2006	561,379,400	284,343,600	20,041,300	2,000	29,815,681	895,581,981	8.17	1,075,292,200	83.29%
2007	563,574,400	272,206,500	19,361,100	1,700	26,144,600	881,288,300	8.55	1,138,992,600	77.37%
2008	709,395,400	343,196,900	26,868,900	2,100	34,830,200	1,114,293,500	7.47	1,144,172,900	97.39%
2009	711,061,000	325,208,900	29,195,400	2,100	35,959,800	1,101,427,200	6.91	1,128,003,400	97.64%

Source: Wisconsin Department of Revenue

*Note: Total Taxable Assessed Value does not include tax exempt properties; Tax exempt properties are not assigned values.

Village of Brown Deer

Direct & Overlapping Property Tax Rates
(per \$1,000 of assessed valuation)
Last ten fiscal years
Table 6

Tax Year	Collection Year	Direct Rates										Overlapping Rates										Net Tax Rate
		Village of Brown Deer	Capital Improv	Equipment Repl	Other Special Rev Funds	Library	Debt Service	TID Incr	Total Direct	Brown Deer School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee County Tax Credit	Milwaukee Sewage Distr	State of Wisconsin	State Tax Credit						
2000	2001	5.97	0.58	0.17	-	0.43	1.10	-	8.25	15.37	2.27	7.85	(1.66)	1.90	0.22	(2.83)	31.37					
2001	2002	6.17	0.38	0.35	0.10	0.43	1.16	0.47	9.06	14.86	2.32	7.73	(1.49)	1.95	0.23	(2.59)	32.07					
2002	2003	6.60	0.12	0.32	0.10	0.42	1.34	-	8.90	13.69	2.39	7.61	(1.56)	2.02	0.24	(2.29)	31.00					
2003	2004	6.83	0.09	0.33	0.09	0.42	1.18	-	8.94	14.68	2.45	7.51	(1.59)	1.97	0.25	(2.18)	32.03					
2004	2005	5.87	0.24	0.25	0.07	0.34	0.90	-	7.67	11.91	2.05	4.83	-	1.63	0.21	(1.66)	26.64					
2005	2006	6.23	0.31	0.31	0.07	0.38	0.62	-	7.93	12.40	2.06	4.66	-	1.56	0.21	(1.61)	27.21					
2006	2007	6.25	0.26	0.29	0.07	0.41	0.88	-	8.17	12.46	2.13	4.71	-	1.56	0.21	(2.00)	27.24					
2007	2008	6.59	0.24	0.32	0.07	0.44	0.89	-	8.55	13.49	2.29	5.03	-	1.66	0.22	(2.24)	29.00					
2008	2009	6.11	0.21	0.09	0.06	0.35	0.65	-	7.47	11.69	1.83	3.95	-	1.29	0.17	(1.95)	24.46					
2009	2010	5.58	0.21	0.09	0.05	0.35	0.64	-	6.91	12.16	1.88	4.09	-	1.30	0.17	(1.98)	24.53					

Source: Village of Brown Deer Budget Book
*Note: County Tax Credit included in County Tax Rate starting in Tax Year 2004.

Village of Brown Deer

Principal Property Tax Payers
Current Year and Nine Years Ago
Table 7

Taxpayer	Type of Business	2009			2000		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brown Deer Business Park-WI TWO, LLC	Property Mgmt	29,107,800	1	2.64%	-		0.00%
Brown Deer Center LLC	Property Mgmt	26,465,900	2	2.40%	35,900,000	1	5.06%
Metavante Corporation	Data Processing	20,770,300	3	1.89%	28,925,600	2	4.08%
Deer Run Apartments	Property Mgmt	15,956,900	4	1.45%	13,000,000	4	1.83%
Brown Deer Market WI LLC	Property Mgmt	14,484,400	5	1.32%	13,557,000	3	1.91%
Brook Lane Apartments	Property Mgmt	12,614,300	6	1.15%	8,900,000	8	1.26%
North Pointe Apartments Ltd.	Rental Property	11,610,400	7	1.05%	9,500,000	6	1.34%
Lowe's Home Center	Retail	11,278,500	8	1.02%	-		0.00%
Mutual Savings Bank	Financial Institution	10,212,400	9	0.93%	8,276,100	9	1.17%
River Place Apartments LLC	Property Mgmt	9,000,000	10	0.82%	8,000,000	10	1.13%
WITI TV 6	Television Station	-		0.00%	11,453,600	5	1.62%
Sheraton Hotel	Hotel	-		0.00%	9,120,100	7	1.29%
Total		161,510,900		14.66%	146,632,400		20.68%

(a) Based on total Assessed Value
2000 708,991,448
2009 1,101,427,200

Source: Prior years' Village of Brown Deer CAFR and the Village Tax System

Village of Brown Deer

Property Tax Levies & Collections
Last ten years
Table 8

Levy Year	Collection Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2000	2001	6,043,087	5,943,296	98.35%		5,943,296	98.35%
2001	2002	6,550,883	6,538,652	99.81%		6,538,652	99.81%
2002	2003	6,472,365	6,462,775	99.85%		6,462,775	99.85%
2003	2004	6,446,234	6,382,474	99.01%		6,382,474	99.01%
2004	2005	7,003,254	6,985,584	99.75%		6,985,584	99.75%
2005	2006	7,395,247	7,353,446	99.43%	33,023	7,386,469	99.88%
2006	2007	7,768,752	7,743,892	99.68%		7,743,892	99.68%
2007	2008	8,107,614	8,083,546	99.70%	16,979	8,100,526	99.91%
2008	2009	8,325,311	8,312,151	99.84%		8,312,151	99.84%
2009	2010	8,764,224	*	0.00%	*	*	0.00%

* Note : Data for the 2010 Collection Year is not yet available.

Village of Brown Deer

Ratios of General Bonded Debt Outstanding

Last ten years

Table 9

Fiscal Year	Total General Bonded Debt	Reserved Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value	Ratio of		Net General Bonded Debt Per Capita
					General Bonded Debt to Equalized Property Value	Population	
2000	7,159,175	1,951	7,157,224	795,002,801	0.90%	12,170	588.10
2001	9,681,500	30,038	9,651,462	821,392,800	1.18%	12,151	794.29
2002	8,931,425	43,473	8,887,952	864,832,900	1.03%	12,118	733.45
2003	9,023,057	49,183	8,973,874	893,424,600	1.00%	12,044	745.09
2004	9,843,875	-	9,843,875	953,396,417	1.03%	11,845	831.06
2005	8,928,780	94,487	8,834,293	977,818,400	0.90%	11,831	746.71
2006	17,576,597	124,438	17,452,159	1,075,292,200	1.62%	11,750	1,485.29
2007	19,820,280	36,320	19,783,960	1,138,992,600	1.74%	11,715	1,688.77
2008	18,815,943	21,793	18,794,150	1,144,172,900	1.64%	11,705	1,605.65
2009	18,876,538	30,797	18,845,741	1,128,003,400	1.67%	11,720	1,608.00

Village of Brown Deer

Ratios of Outstanding Debt by Type
Last ten years
Table 10

Fiscal Year	Governmental Activities				Business Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Anticipation Notes	Notes Payable to Other Municipalities	Tax Increment Project Revenue Bonds Payable	General Obligation Bonds/Notes					
2000	6,491,600	-	-	1,595,000	667,575	8,754,175	0.25%	719.32		
2001	9,056,600	-	-	985,000	624,900	10,666,500	0.24%	877.83		
2002	8,360,000	-	943,823	865,000	571,425	10,740,248	0.22%	886.31		
2003	8,484,356	-	1,411,794	730,000	538,701	11,164,851	0.21%	927.01		
2004	4,799,703	1,675,000	1,337,620	210,000	3,369,172	11,391,495	1.27%	961.71		
2005	4,140,058	1,675,000	1,294,389	145,000	3,113,722	10,368,169	1.17%	876.36		
2006	11,034,872	1,675,000	1,244,522	75,000	4,866,722	18,896,116	1.81%	1,608.18		
2007	13,607,358	1,675,000	1,117,578	-	4,537,922	20,937,858	1.69%	1,787.27		
2008	13,532,421	-	1,063,257	-	5,283,522	19,879,200	2.03%	1,698.35		
2009	14,021,655	-	1,007,155	-	4,854,884	19,883,694	*	1,696.56		

Source: Wisconsin Departments of Revenue and Administration

* Note : Data for 2009 Personal Income is not yet available.

Village of Brown Deer

Legal Debt Margin Information
Last ten years
Table 11

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Equalized Value of Real and Personal Property	795,002,801	821,382,800	864,832,900	893,424,600	953,396,417	977,818,400	1,075,292,200	1,138,992,600	1,144,172,900	1,128,003,400
General Obligation Debt Limit	39,750,140	41,069,640	43,241,645	44,671,230	47,669,821	48,890,920	53,764,610	56,949,630	57,208,645	56,400,170
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	7,159,175	9,681,500	8,931,425	9,023,057	9,843,875	8,928,780	17,576,597	19,820,280	18,815,943	18,876,538
Amount of Debt Applicable to Debt Limitation: General Obligation Bonds/Notes	1,951	30,038	43,473	49,183	-	94,487	124,438	36,320	21,793	30,797
Less: Amount Available for Financing GO Debt	7,157,224	9,651,462	8,887,952	8,973,874	9,843,875	8,834,293	17,452,159	19,783,960	18,794,150	18,845,741
Net O/S GO Debt Applicable to Debt Limitation	32,592,916	31,418,178	34,353,693	35,697,356	37,825,946	40,056,627	36,312,451	37,165,670	38,414,495	37,554,429
Legal margin for New Debt	18.01%	23.50%	20.55%	20.09%	20.66%	18.07%	32.46%	34.74%	32.85%	33.41%
Total net debt applicable to the limit as a percentage of debt limit										

Village of Brown Deer

Computation of Direct, Overlapping, and Underlying Debt
 As of December 31, 2009
 Table 12

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village	18,876,538	100%	18,876,538
Milwaukee Area Technical College	77,390,000	1.38%	1,067,982
Milwaukee County	684,230,554	1.68%	11,495,073
Brown Deer School District	8,448,447	100%	8,448,447
Milwaukee Metropolitan Sewage District	868,363,326	1.71%	14,849,013
Total Overlapping	1,638,432,327		35,860,515
Total Direct and Overlapping Debt	1,657,308,865		54,737,053

Village of Brown Deer

Demographic & Economic Statistics
 Last ten years
 Table 13

Year	Population	Personal Income (in thousands)	Per Capita				
			Adjusted Gross Income		Unemployment Rates		
			Village of Brown Deer	Milwaukee County	State of Wisconsin	Milwaukee County	State of Wisconsin
2000	12,170	271,950,820	22,346	18,067	20,503	4.30%	3.40%
2001	12,151	263,567,341	21,691	18,083	20,091	5.40%	4.40%
2002	12,118	256,307,818	21,151	17,492	19,809	6.60%	5.30%
2003	12,044	262,005,176	21,754	17,900	20,606	7.10%	5.60%
2004	11,845	265,126,635	22,383	19,175	21,756	6.40%	5.00%
2005	11,831	266,662,242	22,539	19,372	22,214	4.80%	4.80%
2006	11,750	268,201,421	22,826	20,782	23,845	5.70%	4.70%
2007	11,715	269,124,482	22,973	21,603	24,374	5.90%	4.90%
2008	11,705	260,643,494	22,268	21,233	24,329	6.50%	5.80%
2009	11,720	*	*	*	*	9.30%	8.50%

Source: Wisconsin Departments of Revenue, Administration & Workforce Development
 *Data not yet available for 2009

Village of Brown Deer

Principal Employers
Current year
Table 14

Employer	Type of Business	2006			2009		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
M&I Corporation/Metavante *	Data Processing	1,125	1	0.26%	2,700	1	0.58%
Signicast	Manufacturer of Ferrous investment castings	-		0.00%	685	2	0.15%
Badger Meter	Water Meter Manufacturing	483	3	0.11%	530	3	0.11%
MILSCO Manufacturing	Manufacturer of Office Chairs	-		0.00%	481	4	0.10%
Guaranty Bank *	Savings Institutions	578	2	0.13%	410	5	0.09%
YMCA (Young Men's Christian Association) *	Civil & Social Organizations	175	5	0.04%	340	6	0.07%
Rite Hite Corporation(Hdqtrs)	Manufacturers of mechanical & hydraulic lifts	-		0.00%	240	7	0.05%
Brown Deer Public Schools	Elementary & Secondary Schools	119	11	0.03%	222	8	0.05%
New World Communications/TV 6	Television Broadcasting	210	4	0.05%	210	9	0.05%
U Line Corp *	Household Refrigerator Manufacturing	175	6	0.04%	175	10	0.04%
Lowe's Home Centers *	Retail Home Center	-		0.00%	175	11	0.04%
Sheraton Milwaukee North *	Hotel	175	8	0.04%	120	12	0.03%
Village of Brown Deer	Government	100	12	0.02%	96	13	0.02%
Pick 'n Save *	Supermarkets	175	7	0.04%	75	14	0.02%
Kohl's *	Department Store	175	10	0.04%	75	15	0.02%
GB Home Equity *	Sales Financing	175	9	0.04%	-		0.00%
Total		3,662		0.85%	6,534		1.41%

Source: Wisconsin Department of Workforce Development

(a) According to GASB 44, information for the current year and nine years prior should be shown. In prior CAFRs, we did not include this data. We will show what comparative data we have until a 10 year comparison is compiled.

* Approximate number of employees. Exact count was either not available or given to us upon inquiry.

Village of Brown Deer

Various Statistics
Last eight years
Table 15

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Village Employees								
General Government								
Village Manager	3	4	3	2	2	3	3	3
Administration	4	5	5	5	5	5	4	5
Court	3	2	2	2	2	2	1	2
Health	10	11	11	11	8	8	7	7
Library	18	18	22	21	18	16	17	18
Parks and Recreation	4	6	6	5	4	4	4	3
Water Utility	4	5	5	5	3	3	3	3
Public Works	12	13	14	15	13	13	13	12
Public Safety								
Police	38	37	39	39	38	38	35	37
Community Services								
Engineering	2	2	2	3	3	3	3	3
Inspection/Maintenance	6	7	6	6	4	3	3	3
Total	104	110	115	114	100	98	93	96
Public Safety								
Police Stations	1	1	1	1	1	1	1	1
Patrol Vehicles	-	6	6	6	6	6	6	6
Fire Stations	5	5	5	5	5	5	5	5
Public Works								
Streets (miles)	54	54	54	54	54	54	54	54
Parks & Recreation								
Number of Parks	3	3	3	3	3	3	3	3
Acreage of parkland	17	17	17	17	17	17	17	17
Water Utility								
Miles of Water Main	67	67	67	67	67	68	68	68
Number of Hydrants	650	650	650	650	663	665	669	671
Daily Average Consumption (gallons)	1,414,315	1,419,041	1,423,783	1,383,515	1,339,416	1,246,918	1,365,178	1,297,893
Wastewater Utility								
Miles of Sanitary Sewer	51	51	51	51	51	51	51	51
Miles of Storm Sewer	10	10	10	10	10	10	10	10

- (a) According to GASB 44, a ten year trend should be shown. Prior to 2002, the municipality did not prepare a CAFR and thus, did not collect this information. We will show what comparative data we have until a 10 year trend is compiled.
- (b) Various departments within the Village provided the information shown above.

Village of Brown Deer

Operating Indicators by Program/Function
Eight Year Trend
Table 16

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety								
Police								
Physical Arrests	1,046	1,021	1,142	1,105	850	984	850	922
Parking Citations	1,156	1,379	1,197	1,089	1,172	1,441	1,158	886
Traffic Citations	5,860	4,998	5,923	4,722	3,610	4,525	3,573	4,767
Prisoner Handling	1,076	509	679	756	494	369	282	323
Complaints	1,864	1,911	1,773	1,860	1,364	1,649	1,536	1,486
General Government								
Building Permits Issued	279	254	276	263	281	293	309	328
Library								
Patron Count	8,800	8,885	8,130	6,966	7,300	7,559	6,833	7,370
Items Borrowed	325,287	328,452	322,508	293,181	265,246	240,995	250,126	247,649
Park and Recreation								
Recreation Programs	81	81	84	82	83	86	122	112
Recreation Attendance	3,398	3,433	2,770	2,770	2,737	2,513	2,933	2,686
Pond Attendance	8,954	-	6,016	10,193	9,590	8,018	7,238	7,048
Water Utility								
Number of Customers	3,731	3,745	3,759	3,782	3,792	3,795	3,679	3,817
Gallons Sold (millions)	516,225	517,950	485,396	504,983	488,879	455,125	455,405	428,322
Public Fire Protection Service	-	3,476	3,484	3,509	3,495	3,531	3,544	3,562
Northshore Health Department								
*Statistics given are for Village of Brown Deer Only								
Blood Pressure Screenings	531	503	619	537	351	467	357	195
Immunizations	1,184	1,049	928	212	661	569	819	623
Restaurant Inspections	110	108	87	114	-	109	81	87

(a) According to GASB 44, a ten year trend should be shown. Prior to 2002, the municipality did not prepare a CAFR and thus, did not collect this information. We will show what comparative data we have until a 10 year trend is compiled.

(b) Various Village departments provided the information shown above.