VILLAGE OF BROWN DEER

Milwaukee County, Wisconsin

Comprehensive Annual Financial Report

As of and For the Year Ended

December 31, 2015

VILLAGE OF BROWN DEER, WISCONSIN
Brown Deer, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2015

Prepared by
The Office of the Treasurer/Comptroller

Treasurer/Comptroller	**Susan Hudson**
Village Manager	**Michael Hall**

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INTRODUCTORY SECTION

September 26, 2016

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, 2015, 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 Sikich, 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, 2015, 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 unmodified opinion that the Village of Brown Deer's financial statements for the fiscal year ended December 31, 2015, 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 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 12,102.

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 four 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 public health services more economically than those which could be provided by the individual communities. Effective January 1, 2012, the Shorewood Whitefish Bay Health Department consolidated with the North Shore Health Department to add additional economies of scale. 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. Effective January 1, 2011 the Village of Shorewood became the fiscal agent for the North Shore Cable Commission. The Bayside Communications Center was formed on January 1, 2012 in which Bayside will provide a unified public safety answering point providing dispatch service to the Village of Brown Deer. The service will include all police and fire emergency calls, transfer calls, calls for medical emergencies, emergency rescue calls, and calls for dispatch services. The other North Shore communities entered into similar agreements with the Village of Bayside.

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. In 2015, Milwaukee County had an unemployment rate of 5.8% compared to the State of Wisconsin at 4.6%. The new 2010 census data adjusted the Village's population to 11,999 and showed an adjusted gross income per return for the Village in 2014 of $47,480.

CURRENT YEAR INITIATIVES

In 2010, the Wisconsin Department of Revenue (DOR) made a change in their process of determining the value of the Tax Incremental Districts (TID). Starting in 2010, the DOR determined the value of the TIDs based upon the annual reporting of the TIDs assessed values by the assessor, which is then adjusted by the municipalities overall level of assessment. This change affected the Village of Brown Deer's TIDs significantly. In the next few paragraphs, you will be informed of the 2015 increment in each TID and the increase or decrease from 2014.

Tax Incremental Financing District #2, formed in 1995, generated an increment of $28,001,100 in 2015, an increase of $492,000 from the 2014 increment. On the West side of Sherman Boulevard 2 acres were used for a building called Bradley Crossing which houses 60 apartments, Jewish Family Services (JFS) offices and the Lois & Tom Dolan Community Center, which the Village operates. Four additional acres of adjacent land were purchased by JFS in 2013. JFS is now nearing completion on the construction of 54 new units in 4 separate buildings on this remaining land. On the East side of Sherman Boulevard, the Village approved a final plan with JFS for Deerwood Crossing, Phase II, which added an additional 30 units to the existing 60 units already constructed in Phase I. Construction on Phase II was completed in 2014. In early 2015 Tax Incremental District #2 boundaries were expanded to include three parcels of land along 47th Street south of Bradley Road including the former Algonquin School property. The parcels are suitable for mixed use development and are now being actively marketed for redevelopment.

The Tax Incremental Financing District #3, formed in 2005, generated an increment of $10,612,100 in 2015, an increase of $3,389,200 from the 2014 increment. The District includes property along the West Brown Deer Road corridor, bounded by: N. 55th Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and the Village's municipal boundaries at 68th Street to the west. In 2014 four acres of land along the west side of North 60th Street were approved for a senior apartment/memory care facility from New Perspective Real Estate. The new facility will have approximately 133 beds. Construction on the facility is scheduled to be complete in summer 2016. The Village also purchased the former American TV property in March of 2015 for 2.6 million. Sale agreements with two entities (PAK Technologies and ALDI) totaling 2.65 million have been approved as of July 2015. Occupancy for PAK is scheduled for fall 2015 and ALDI in late-summer 2016.

The Tax Incremental Financing District #4, formed in 2005, generated an increment of $1,575,200 in 2015, a decrease of ($676,100) from 2014 increment. The District includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. The Original Village reconstruction began in 2013 and was completed in 2014. No new activity has occurred within the District.

The Village issues a Village magazine called, *Our Brown Deer Magazine*. *Our Brown Deer Magazine* has more human interest pieces and partnerships with the School District. The Village continues to

promote the community and all it has to offer by utilizing marketing brochures and the Village's newsletter the Tracker. The Tracker Newsletter (http://www.browndeerwi.org/tracker-newsletter/) is used to inform and connect the residents.

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.

Outside of the Tax Increment Districts, the Village issued building permits mainly for compliance repairs or remodeling.

FINANCIAL POLICIES

In 2011, Finance & Public Works Committee and the Village Board reviewed and amended all 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, purchasing policy, Village issued purchasing card policy, investment policy, fund balance policy, debt management policy, capitalized fixed assets policy, budget development policy, revenue policy, operating budgets, capital improvement plan process and policy 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 30% targeted maximum. Funds in excess of 30% of the unassigned fund balance may be considered to supplement "pay as you go" capital outlay expenditures. Every Village Fund will have its fund balance categorized with the five categories pursuant to GASB 54. While the Village encourages each fund to meet the 15% minimum balance, the General Fund is the only fund that has the requirement.

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 financed 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, the Village is currently at 86.6%.

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.

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, 2014. This was the sixteenth (16th) 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 Sikich, 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, community services, public works and police 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. 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,

Michael L Hall
Village Manager

Susan L Hudson
Treasurer/Comptroller

VILLAGE OF BROWN DEER

DIRECTORY OF OFFICIALS
December 31, 2015

Elected Officials

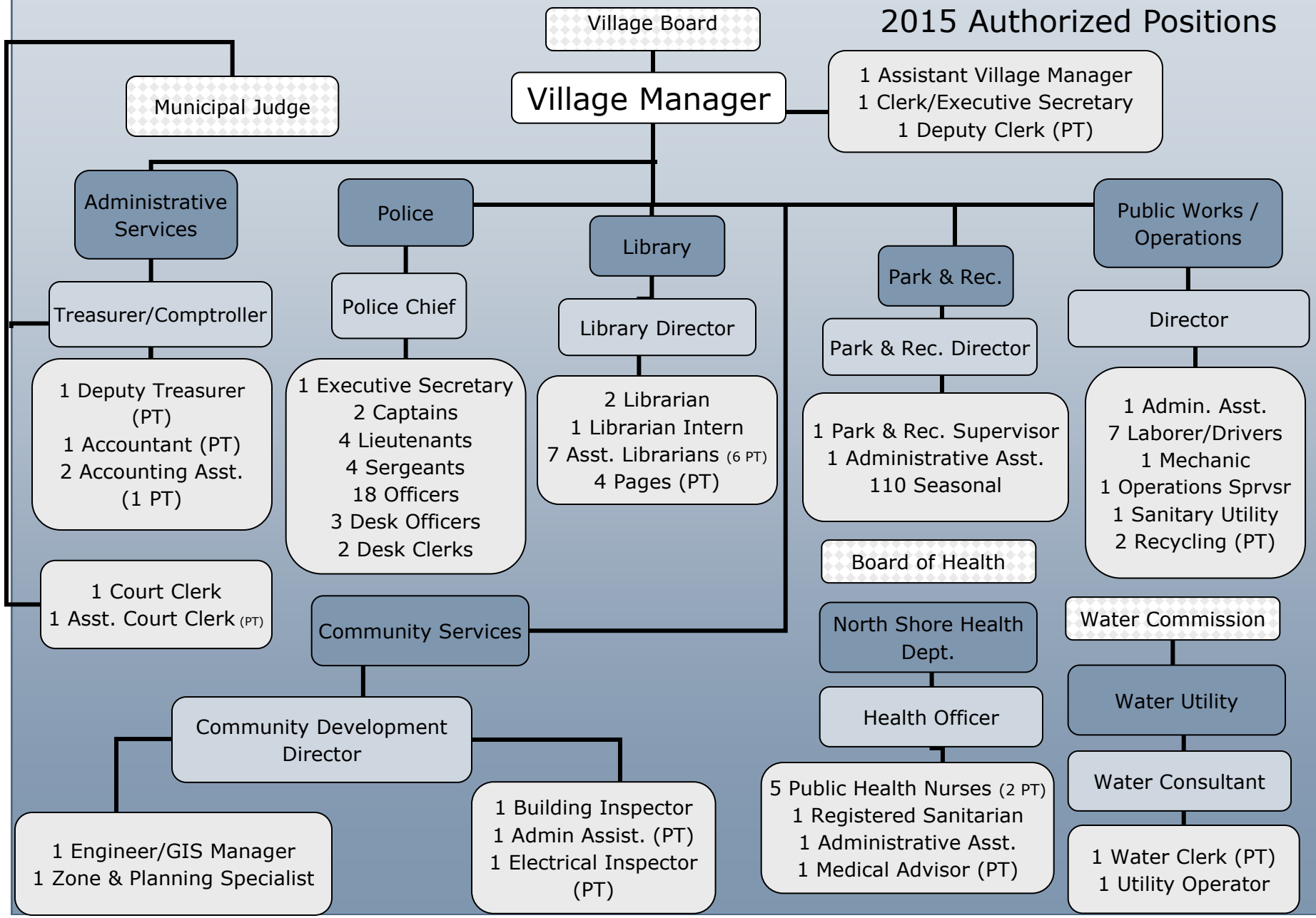
Name	Title	Term
Carl F. Krueger	Village President	April, 2016
Jeff Baker	Village Trustee	April, 2016
Terrence L. Boschert	Village Trustee	April, 2017
Robert W. Oates	Village Trustee	April, 2018
Timothy D. Schilz	Village Trustee	April, 2018
Gary R. Springman	Village Trustee	April, 2019
Jamie Awe	Village Trustee	April, 2017
Christopher R. Lipscomb	Municipal Judge	April, 2017

Administrators

Name	Title	Term
Michael Hall	Village Manager	Contract
Accurate Appraisal LLC	Village Assessor	Contract
John Fuchs	Village Attorney	Contract
Chad Hoier	Park and Recreation Director	Appointed
Matthew Maederer	Director of Public Works	Appointed
Ann Christiansen	Director of Public Health	Appointed
Mike Rau	Water Consultant	Contract
Brian Williams-Van Klooster	Library Director	Appointed
Michael Kass	Chief of Police	Appointed
Nathan Piotrowski	Community Development Director	Appointed
Susan Hudson	Treasurer / Comptroller	Appointed

Village of Brown Deer Organization Chart

2015 Authorized Positions



Government Finance Officers Association

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, 2014

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
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 (the Village), as of and for the year ended December 31, 2015, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, 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, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

The Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. The adoption of Statements No. 68 and 71 resulted in a prior period adjustment which is discussed in Note IV. F. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, supplementary information, and statistical section 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 supplementary information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Brookfield, Wisconsin
September 26, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended December 31, 2015

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, 2015. 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 position. When expenses exceed revenues, the result is a decrease in net position. You can think of this relationship between revenues and expenses as the Village's operating results and the net position, as measured in the Statement of Net Position, as one way to measure the Village's financial health, or financial position. Over time, increases and decreases in the Village's net position, 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 and deferred outflows of the Village of Brown Deer exceeded its liabilities and deferred inflows as of December 31, 2015, by $22,657,223 *(net position).* The Village reported deficit unrestricted governmental activities net position of ($3,921,698) and unrestricted business-type activities net position of $3,500,153. During the current year, the Village's net position decreased by $961,058.
- As of December 31, 2015, the Village of Brown Deer's governmental funds reported combined ending fund balances of $5,739,620, a decrease of $1,265,719 in comparison with the prior year. At the end of 2015, there is $1,820,641 *available for spending* at the government's discretion *(unassigned fund balance.)*
- As of December 31, 2015, the unassigned fund balance for the general fund was $3,371,670 or 36.48% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt decreased by $788,451 during 2015.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 Position and the Statement of Activities, which can be found on pages 27-28 of this report.

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 sanitary sewer utility.

STATEMENT OF NET POSITION

The *statement of net position* presents information on all of the Village of Brown Deer's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases and decreases in net position 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 position 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 17,504,097	$ 19,738,266	$ 4,329,897	$ 5,573,513	$ 21,833,994	$ 25,311,779
Capital assets	17,152,146	15,327,852	17,311,368	17,064,375	34,463,514	32,392,227
Total assets	34,656,243	35,066,118	21,641,265	22,637,888	56,297,508	57,704,006
Deferred outflows of resources	1,507,761	585,197	75,328	-	1,583,089	585,197
Long-term debt outstanding	18,872,270	19,095,845	5,622,795	6,162,256	24,495,065	25,258,101
Other liabilities	795,583	2,124,602	301,875	225,432	1,097,458	2,350,034
Total liabilities	19,667,853	21,220,447	5,924,670	6,387,688	25,592,523	27,608,135
Deferred inflows of resources	9,630,851	9,364,230	-	-	9,630,851	9,364,230
Net position:						
Net investment in capital assets	9,738,615	8,138,711	12,291,770	13,633,910	21,845,446	21,772,621
Restricted	1,048,383	1,905,497	-	-	1,048,383	1,905,497
Unrestricted (deficit)	(3,921,698)	(4,977,570)	3,500,153	2,616,290	(236,606)	(2,361,280)
Total net position	$ 6,865,300	$ 5,066,638	$ 15,791,923	$ 16,250,200	$ 22,657,223	$ 21,316,838

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 2015 by $2,234,169, this is due to decrease in cash on hand.

Long-term debt outstanding decreased in 2015 by $223,575, this is due to scheduled debt payments. Other liabilities represent accounts payable, accrued payroll liabilities, deposits and unearned revenues.

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 position represents resources that are subject to external restrictions on how they may be used. Restricted net position consists of amounts restricted for library, police donations, and police asset forfeiture 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 often times, early in the life of a TIF district the only resources available are in the form of debt proceeds. At December 31, 2015, $819,869 of the Village's restricted Net Position was restricted for TIF district development

The remaining balance of unrestricted net position may be used to meet ongoing obligations to citizens and creditors. The further increase in unrestricted net position of $1,055,872 was due mainly to the implementation of GASB Statements Nos. 68 and 71 which brought the Village's proportionate share of the Wisconsin Retirement System's net pension asset onto the statement of net position. When unrestricted resources are added, the Village's Net Investment in Capital Assets decreases and resources remaining for unrestricted net position then increase.

Business-type Activities

Business-type activities Current and Other Assets consist of cash, investments and receivables. Current and Other Assets decreased by $1,243,616 in the current year. This decrease was due to the Storm-water Utility paying for capital assets that it transferred to the Governmental Activities. The total capital assets in 2015 increased by $246,993 due to the addition of equipment and capital improvements, mainly relating to the water main replacements, sewer infrastructure, and the storm water ditch rehabilitation project.

Long-term debt outstanding decreased in 2015 by $539,461 this is due to the scheduled debt payment. Other Liabilities for Governmental and Business-type Activities include accounts payable, accrued interest payable, special deposits and unearned revenue. Other Liabilities increased by $76,443 resulting mainly from a decrease in accounts payable related to capital improvements.

STATEMENT OF ACTIVITIES

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

The table below summarizes the statement of activities for 2014 and 2015. Explanations for significant increases or decreases are given following the table.

	Governmental Activites		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for Services	$ 1,981,257	$ 2,079,013	$ 4,317,499	$ 4,153,983	$ 6,298,756	$ 6,232,996
Operating grants and contributions	1,000,103	379,976	-	-	1,000,103	379,976
Capital grants and contributions	98,920	363,815	117,307	30,196	216,227	394,011
General revenues:						
Property taxes	9,034,450	9,204,538	-	-	9,034,450	9,204,538
Other taxes	613,636	589,710	-	-	613,636	589,710
Other general revenues	2,995,056	2,162,746	86,664	50,769	3,081,720	2,213,515
Total revenues	15,723,422	14,779,798	4,521,470	4,234,948	20,244,892	19,014,746
Expenses						
General government	1,627,637	1,754,475	-	-	1,627,637	1,754,475
Public Safety	6,378,649	6,428,471	-	-	6,378,649	6,428,471
Publice Works	2,202,006	2,797,339	-	-	2,202,006	2,797,339
Health and Human Services	729,305	895,149	-	-	729,305	895,149
Culture, recreation and education	1,064,661	1,153,251	-	-	1,064,661	1,153,251
Conservation and development	4,740,085	96,966	-	-	4,740,085	96,966
Interest and fiscal charges	668,028	675,456	-	-	668,028	675,456
Water	-	-	1,291,139	1,428,306	1,291,139	1,428,306
Storm Water	-	-	867,019	585,368	867,019	585,368
Sanitary Sewer	-	-	1,637,421	1,410,184	1,637,421	1,410,184
Total expenses	17,410,371	13,801,107	3,795,579	3,423,858	21,205,950	17,224,965
Increase (decrease) in net position before transfers	(1,686,949)	978,691	725,891	811,090	(961,058)	1,789,781
Transfers	1,761,141	287,660	(1,761,141)	(287,660)	-	-
Changes in net position	74,192	1,266,351	(1,035,250)	523,430	(961,058)	1,789,781
Net position - Beginning of year	5,066,638	3,800,287	16,250,200	15,726,770	21,316,838	19,527,057
Prior Period Adjustment	1,724,470		576,973		2,301,443	-
Net position - End of year	$ 6,865,300	$ 5,066,638	$ 15,791,923	$ 16,250,200	$ 22,657,223	$ 21,316,838

Significant Changes in Governmental Activities

Governmental activities increased the Village of Brown Deer's net position by $74,192, while the Business-type activities decreased net position by $1,035,250. The change in net position for governmental activities decreased from 2014 to 2015 due mainly to increases in development related expenses in TIF 3. The change in net position for Business-type activities decreased significantly from 2014 to 2015 primarily due to the Storm-water Fund transferring $1,455,572 of capital assets to the Governmental Activities. Other individual increases/decreases to revenues and expenses are described below.

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 2014 and 2015.

	Governmental Activities			
	2015	2014	Change	% Chg
Revenues				
Program revenues:				
Charges for services	$ 1,981,257	$ 2,079,013	$ (97,756)	-4.70%
Operating grants and contributions	1,000,103	379,976	620,127	163.20%
Capital grants and contributions	98,920	363,815	(264,895)	-72.81%
General revenues:				
Property taxes	9,034,450	9,204,538	(170,088)	-1.85%
Other taxes	613,636	589,710	23,926	4.06%
Other general revenues	2,995,056	2,162,746	832,310	38.48%
Total revenues	$ 15,723,422	$ 14,779,798	$ 943,624	6.38%

Charges for services decreased slightly by $97,756 in 2015, due to various changes in services provided.

Operating grants and contributions increased from 2014 to 2015 by $620,127. The increase is primarily due to reclassifying Transportation Aids received from the state to fund operating and capital expenses in the Public Works department from general revenues to operating grants and contributions.

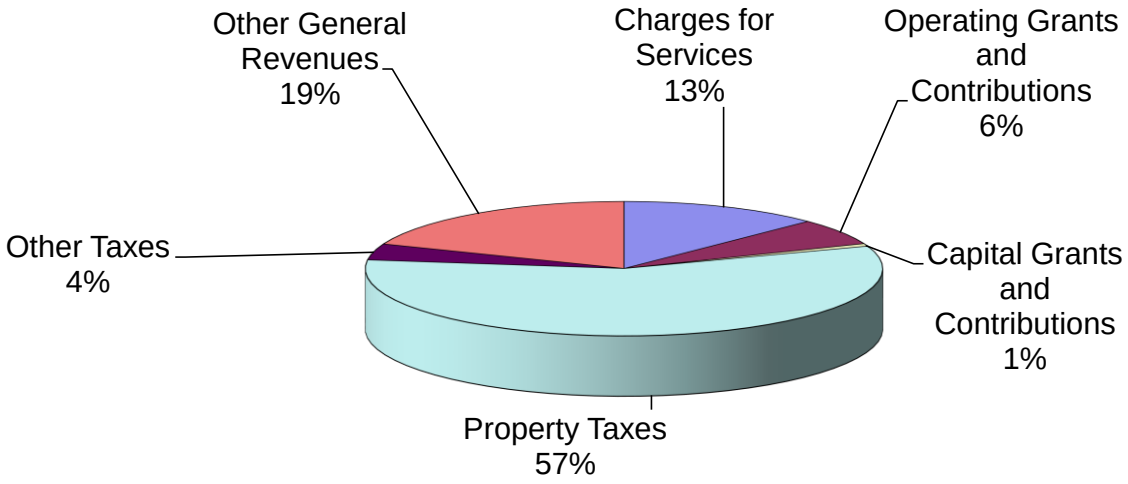
Capital grants and contributions decreased by $264,895 from 2014. The decrease was mainly due to capital contributions received in 2014 that did not occur in 2015.

Other general revenues increased $832,310 from 2014. The main reason for the increase is the sale of the American TV property to a developer.

The State of Wisconsin caps local municipal property tax increases by 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. For 2015, property taxes levied for all purposes other than the TIF increased $70,324 or 0.90%.

As identified above and on the chart below, property taxes are the largest revenue source for the Village's Governmental Activities category accounting for 57% 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 Revenues by Source



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 Park's program activities 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 2014 and 2015 expenses; the reasons for significant changes are addressed following the table.

Expenses	2015	2014	Change	% Chg
General government	$ 1,627,637	$ 1,754,475	$ (126,838)	-7.23%
Public safety	6,378,649	6,428,471	(49,822)	-0.78%
Public works	2,202,006	2,797,339	(595,333)	-21.28%
Health and human services	729,305	895,149	(165,844)	-18.53%
Culture, recreation and education	1,064,661	1,153,251	(88,590)	-7.68%
Conservation and development	4,740,085	96,966	4,643,119	4788.40%
Interest and fiscal charges	668,028	675,456	(7,428)	-1.10%
Total expenses	$ 17,410,371	$ 13,801,107	$ 3,609,264	26.15%

General government expenses decreased ($126,838) compared to 2014. This can be attributed to in 2014 the Village did a recruitment for Police Chief, 2015 had two elections where 2014 had four elections, decease in the cost of electric and natural gas and less repair complete to village hall in 2015.

Public safety decreased expenses over 2014 by ($49,822) due to the decrease in cost of operation, materials and supplies.

Public works decreased expenses by ($595,333) due to vacant positions resulting in personnel, health care and retirement cost reduction and the decreased cost in operation, materials and supplies.

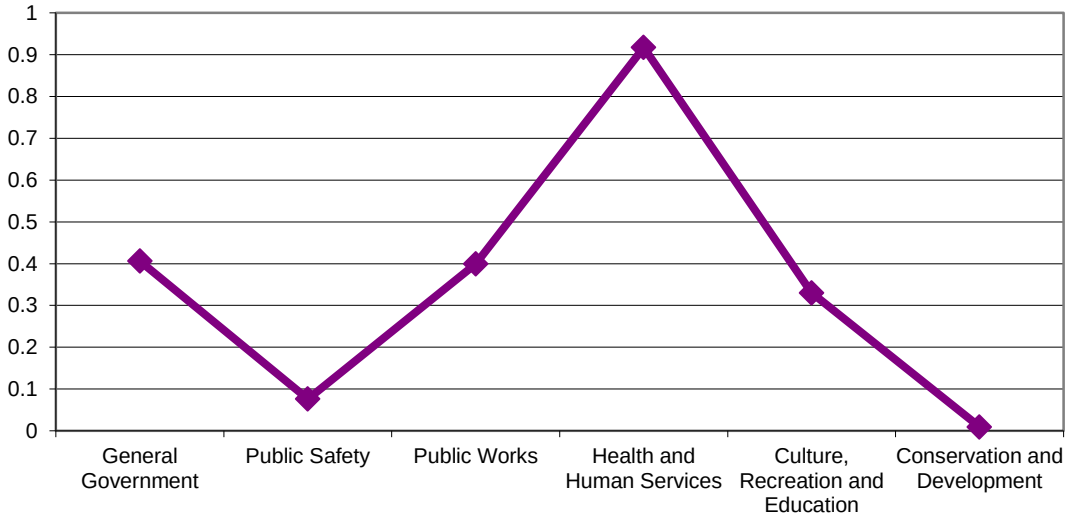
Health and human services expenses decreased by ($165,844) due to vacant positions resulting in personnel, health care and retirement cost reduction.

Culture, recreation and education expenses decreased ($88,590), due to the cost of program supplies for the Village Park, Recreation and Pond programs.

Conservation and Development expenses increased by $4,643,119 in 2015. An increase in TIF 3 expense due to purchase of American TV building and street reconstruction for redevelopment in 2016.

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 2015, Health and Human Services was the function that was most funded by program revenues as a result of the grants that the health department diligently applies for and receives and the fact that 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. Conservation and development is the second department to most utilized program revenue and Public Works Department is the third department to most utilize program revenues due to the capital contributions received for projects completed throughout the year.

Percentages of Expenses funded by Program Revenues



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 its customers for water, storm and sanitary sewer charges 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 2014 to 2015 revenues.

	Business-type Activities			
	2015	2014	Change	% Chg
Revenues				
Program revenues:				
Charges for services	$ 4,317,499	$ 4,153,983	$ 163,516	3.94%
Capital grants and contributions	117,307	30,196	87,111	288.49%
General revenues:				
Other general revenues	86,664	50,769	35,895	70.70%
Total revenues	$ 4,521,470	$ 4,234,948	$ 286,522	6.77%

There was a rate increase to Village Utility customers for 2015. Since Charges for Service is based on usage and usage was up there was an increase of $163,516.

Capital Grants and Contributions represent assets contributed by developers in the water and sanitary sewer utilities. There was no contribution made by any developer in 2014.

The Other General Revenues category is comprised of interest income and gain on sale of Village property.

Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2014 to 2015.

	Business-type Activities			
	2015	2014	Change	% Chg
Expenses				
Water	$ 1,291,139	$ 1,428,306	$ (137,167)	-9.60%
Storm Water	867,019	585,368	281,651	48.12%
Sanitary Sewer	1,637,421	1,410,184	227,237	16.11%
Total expenses	$ 3,795,579	$ 3,423,858	$ 371,721	10.86%

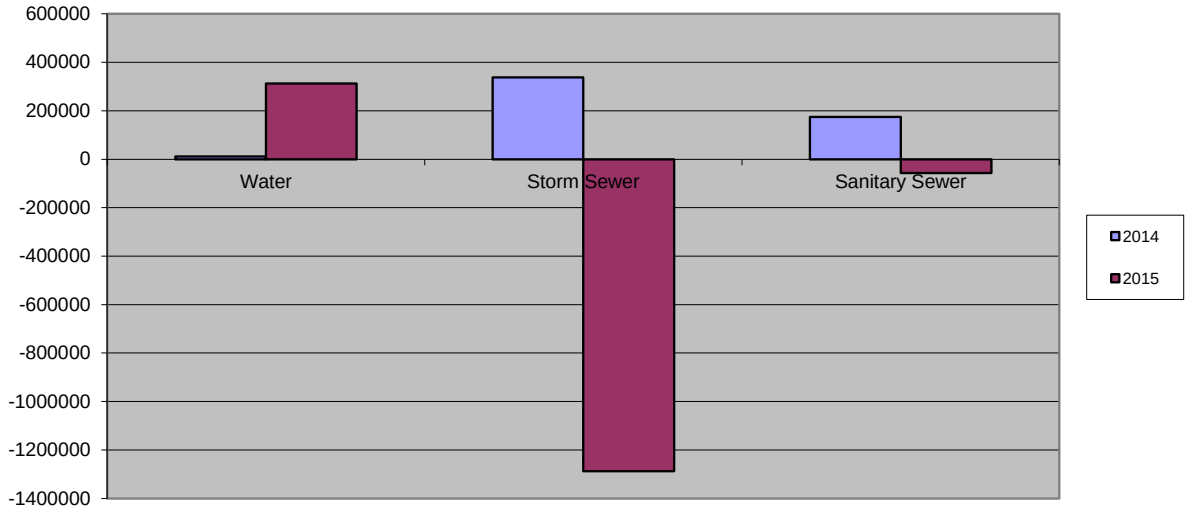
Water Utility expenses decreased by ($137,167) from 2014 to 2015 decrease to maintenance cost to mains. Storm Water expenses increased $281,651 in 2015 due to reconstruction of Bradley Rd. The Sanitary Sewer expenses increased $227,237 due to N 60th Street water main relay. Village typically alternates years in terms of focusing maintenance improvement efforts between sanitary sewer and storm water.

Business-type activities decreased the Village of Brown Deer's net position by ($1,035,250) in 2015 and increase net position by $523,430 in 2014.

The graph below shows the net income by utility for each year.

Specific reasons for these changes were previously addressed.

Change in Net Position 2014 to 2015



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.

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 *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. 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 thirteen individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, TIF No.2, TIF No.3, TIF No. 4, Capital Improvement Fund and the Debt Service Fund, all of which are considered to be major funds. Data from the other seven 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, 2015, the governmental funds reported combined ending fund balances of $5,739,320, a decrease of $1,265,719 in comparison with the prior year. Twenty-three percent (23%) of the Village's fund balance is considered *Nonspendable Fund balance*s, which are items such as prepaid, advances to other funds and non-current receivables. The *Restricted* F*und balance* of thirty-one percent (31%) consists of items legally restricted in relation to debt service, unspent bond proceeds, Tax Increment Districts, the Library, police donations, police asset forfeitures, and capital construction. The *Committed Fund balances* are balances that the Village Board by resolution committed for a set purpose. This nineteen percent (19%) is for street lighting purposes, the North Shore Health Department, the Recycling Fund, and Park and Recreation purposes. The Village's does not present any fund balance is considered *Assigned Fund balance,* meaning the Village Board authorized the Village Manager and the Treasurer/Comptroller to assign a purpose to certain funds. Twenty-seven percent (27%) of the Village's fund balance is *Unassigned Fund balance,* which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Village of Brown Deer. As of December 31, 2015, the total fund balance of the General Fund was $4,950,601 of which $3,371,670 was unassigned. This unassigned fund balance represents approximately thirty-four (34%) 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 2015.

TIF District No. 2's fund balance increased $482,174 due to issuance of debt offset by capital expenditures and debt service payments.

TIF District No. 3's fund balance decrease $1,357,719 due to the purchase of the Lighthouse building.

TIF District No. 4 was created in 2005, includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. In 2010, the Village issued debt to fund the Original Village streetscape project. Construction of the Original Village was finished in 2015 but resulted in a decrease in fund balance of $83,650 due to decrease in increment value and higher expenditures.

The capital improvement fund decreased the fund balance by $799,888 resulting from capital purchases with unspent bond proceeds.

The Village's nonmajor funds increased the fund balance by $132,057 and remains comparable to 2014.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were over budget by $129,628 and can be accounted for by the following revenues that exceeded budget expectations:

- Licenses and permits came in over budget by $58,202 due to building, electrical, plumbing, and heating and A/C permits.
- Fines, forfeitures and penalties came in over budget by $150,134
- Miscellaneous revenue came in over budget by $134,051 due to commercial revenues.

General Fund expenditures were over the budgeted amount by ($102,044). Public Safety, Health Department and Park and Recreation Department were the only departments that were under budget. Public safety was under budget $20,023 due to lower operation cost (fuel).

There was no budget amendment made in 2015 in the General Fund. 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.

PROPRIETARY FUNDS

The Village of Brown Deer maintains two different types of proprietary funds. One, the *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 sanitary sewer utility. Two, the *Internal Service fund,* which is 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 the 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 sanitary 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 32-35 of this report.

Unrestricted net position of the water, storm water and sanitary sewer utilities at the end of the year amounted to $1,712,331; $594,566; and $1,195,105 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. The single Fiduciary fund maintained by the Village is the Tax Collection Fund, which records the tax roll and tax collection for other taxing jurisdictions. The basic fiduciary fund financial statements can be found on page 36 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 37-73 of this report. The information provided below on capital assets and long-term debt can also be found within the footnotes to the financial statements.

CAPITAL ASSETS

The Village's capital asset activity for 2014 and 2015 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	$ 1,374,569	$ 1,374,569	$ 11,654	$ 11,654
Construction in progress	149,209	125,253	-	73,604
Machinery and equipment	3,800,310	3,525,526	1,367,648	1,620,275
Library collection	937,530	985,824	-	-
Buildings and improvements	7,109,814	7,030,798	477,886	477,886
Infrastructure	17,337,556	14,756,502	26,773,190	25,976,313
Total capital assets	30,708,988	27,798,472	28,630,378	28,159,732
Less accumulated depreciation	(13,556,842)	(12,512,180)	(11,319,010)	(11,095,357)
Capital assets net of depreciation	$ 17,152,146	$ 15,286,292	$ 17,311,368	$ 17,064,375

Governmental Activities

- Machinery and Equipment increased $274,784 due to following purchases: DPW – 1-ton Truck w/plow, 5-yard Truck, GIS upgrade, Police – (2) Squad Cars, Playstructure at Fairy Chasm Park
- Building and improvements increased by $79,016 due to remodel of EMG board room at Village Hall
- $2,581,054 of infrastructure was added during 2015; was for sidewalks and road resurfacing N 60th Street, W Fairy Chasm Road, W County Line and W Bradley Road.

Business-type Activities

- Water Utility added $473,011 to infrastructure due to replacement of mains, meters and fire hydrants
- Sewer Utility added $144,713 to infrastructure due to new laterals on N 60th Street
- Storm water utility added $179,153 to infrastructure due to ditch rehab project.
- Machinery and Equipment decreased $252,627 due to accumulated depreciation

Additional information on the Village of Brown Deer's capital assets can be found in Note IV. D. on pages 53-54.

LONG-TERM DEBT

State statutes limit the amount of general obligation debt that a governmental entity can issue to 5% of its total equalized value. The current debt limitation for the Village of Brown Deer is $44,979,710, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of $23,533,596. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2015, the Village of Brown Deer's outstanding debt equaled 52.32% of the state authorized debt.

The table below summarizes the Village's long term debt for 2014 and 2015:

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
General obligation bonds and notes	$ 18,024,031	$ 18,260,091	$ 5,521,133	$ 6,046,685
Amount due to developer	350,000	-	-	-
Unamortized premium on bonds	83,546	100,843	50,948	60,490
Compensated absences	381,210	697,456	50,714	55,081
OPEB liability	33,483	37,455	-	-
Total	$ 18,872,270	$ 19,095,845	$ 5,622,795	$ 6,162,256

In 2014, the Village of Brown Deer issued a $1,410,000 General Obligation Promissory Notes for public purposes, including paying the cost of land assembly and real restate acquisition in the Village's Tax Incremental District No. 2. Additional information regarding the Village of Brown Deer's long-term debt can be found in note IV. F on pages 56 through 58.

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 basis. Actuarial assumptions and further information on this liability can be found in note V D. on pages 67 through 69.

OTHER INFORMATION

The combining and individual fund schedules referred to earlier in connection with nonmajor 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 78-88 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. On top of weathering the economic storm, the Village is currently operating under the changes that have been implemented by our legislature in Madison, which may prove to be somewhat difficult in the next few years.

The unemployment rate for Milwaukee County as of December, 2015 was 5.8% compared to 6.9% in December, 2014. This compares with an unemployment rate of 4.6% for the State of Wisconsin and a 5.0% 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.

The housing sector continues to recover at a moderate pace. According to the State of Wisconsin's, Fall 2014 Economic Outlook report, existing home sales declined 4.0% in the first seven months of 2014 after increasing 11% in 2013 and 21% in 2012. The median home price continued growing at an average rate of 2.6% year-over-years in the first seven months of 2914. The median home price in Wisconsin grew 6.7% in 2013.

The Village's 2015 tax levy was again capped by the State of Wisconsin. The Village's limited to net new construction (.618) or $48,616 plus an adjustment for changes in debt service of $52,505. The Village levied $7,967,866, which is a 1.29% increase from the 2014 levy.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 14% of the Village's 2015 General Fund expenditures. The State is currently facing substantial revenue shortfalls due to the declining economy, which in conjunction with the laws passed, will impact the Village's future years' revenue sources.

The Village's 2015 budget for the General Fund includes an increase of 0.94% in total expenditures due mostly to salaries and benefits. The 2015 General Fund budget is a balanced budget and qualifies for the expenditure restraint program.

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.

BASIC FINANCIAL STATEMENTS

Village of Brown Deer
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	$ 8,908,856	$ 3,155,619	$ 12,064,475
Receivables (net)			
Taxes	6,631,776	-	6,631,776
Special assessments	29,737	-	29,737
Accounts	278,067	1,084,671	1,362,738
Inventory	-	17,422	17,422
Prepaid expenses	1,826	-	1,826
Internal balances	220	(220)	-
Land held for resale	300,000	-	300,000
Investments in CVMIC	429,675	-	429,675
Net pension asset	923,940	72,405	996,345
Capital assets			
Land	1,374,569	11,654	1,386,223
Construction in process	149,209	-	149,209
Other capital assets, net of depreciation	15,628,368	17,299,714	32,928,082
Total assets	34,656,243	21,641,265	56,297,508
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	964,364	75,328	1,039,692
Unamortized loss on refunding	543,397	-	543,397
Total deferred outflows of resources	1,507,761	75,328	1,583,089
LIABILITIES			
Accounts payable and accrued expenses	555,548	190,455	746,003
Accrued interest payable	136,716	42,411	179,127
Due to other governments	36	-	36
Special deposits	16,181	69,009	85,190
Unearned revenues	87,102	-	87,102
Noncurrent liabilities			
Due within one year	2,284,608	560,024	2,844,632
Due in more than one year	16,587,662	5,062,771	21,650,433
Total liabilities	19,667,853	5,924,670	25,592,523
DEFERRED INFLOWS OF RESOURCES			
Subsequent year tax levy	9,630,851	-	9,630,851
NET POSITION			
Net investment in capital assets	9,738,615	12,291,770	21,845,446
Restricted for			
Debt service	11,568	-	11,568
Police asset forfeiture fund	6,786	-	6,786
Police donations	17,205	-	17,205
Park and recreation	108,830	-	108,830
Tax incremental district development	819,869	-	819,869
Library	84,125	-	84,125
Unrestricted (deficit)	(3,921,698)	3,500,153	(236,606)
TOTAL NET POSITION	$ 6,865,300	$ 15,791,923	$ 22,657,223

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities							
General government	$ 1,627,637	$ 661,685	$ -	$ -	$ (965,952)	$ -	$ (965,952)
Public safety	6,378,649	485,849	890	-	(5,891,910)	-	(5,891,910)
Public works	2,202,006	339,427	465,709	74,336	(1,322,534)	-	(1,322,534)
Health and human services	729,305	189,750	479,442	-	(60,113)	-	(60,113)
Culture, recreation, and education	1,064,661	297,546	54,062	-	(713,053)	-	(713,053)
Conservation and development	4,740,085	7,000	-	24,584	(4,708,501)	-	(4,708,501)
Interest and fiscal charges	668,028	-	-	-	(668,028)	-	(668,028)
Total governmental activities	17,410,371	1,981,257	1,000,103	98,920	(14,330,091)	-	(14,330,091)
Business-type activities							
Water Utility	1,291,139	1,774,802	-	117,307	-	600,970	600,970
Sewer Utility	1,637,421	1,534,534	-	-	-	(102,887)	(102,887)
Storm Water Utility	867,019	1,008,163	-	-	-	141,144	141,144
Total business-type activities	3,795,579	4,317,499	-	117,307	-	639,227	639,227
TOTAL	$ 21,205,950	$ 6,298,756	$ 1,000,103	$ 216,227	(14,330,091)	639,227	(13,690,864)
General revenues							
Property taxes							
Property taxes, levied for general purposes					6,680,403	-	6,680,403
Property taxes, levied for debt services					815,842	-	815,842
Property taxes, levied for capital projects					1,538,205	-	1,538,205
Hotel room taxes					613,636	-	613,636
Intergovernmental revenues not restricted to specific programs					1,540,137	-	1,540,137
Investment income					78,035	41,363	119,398
Gain on sale of village property					16,482	45,301	61,783
Other					1,360,402	-	1,360,402
Total general revenues					12,643,142	86,664	12,729,806
Transfers					1,761,141	(1,761,141)	-
Change in net position					74,192	(1,035,250)	(961,058)
NET POSITION - BEGINNING OF YEAR					5,066,638	16,250,200	21,316,838
Prior period adjustment					1,724,470	576,973	2,301,443
NET POSITION, BEGINNING OF YEAR, RESTATED					6,791,108	16,827,173	23,618,281
NET POSITION, END OF YEAR					$ 6,865,300	$ 15,791,923	$ 22,657,223

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Balance Sheet - Governmental Funds
December 31, 2015

	General	TIF No. 2	TIF No. 3	TIF No. 4	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 5,515,803	$ 801,210	$ 140,122	$ 16,273	$ 553,344	$ 1,787,674	$ 8,814,426
Receivables (net)							
Taxes							
Tax levy	4,334,493	639,690	242,435	35,986	256,158	1,123,014	6,631,776
Special Assessments on tax roll	-	-	-	-	-	29,737	29,737
Accounts	179,653	1,305	-	-	9,143	61,134	251,235
Due from other funds	28,661	-	-	-	-	1,805	30,466
Advances to other funds	1,551,029	-	-	-	-	-	1,551,029
Land held for resale	-	300,000	-	-	-	-	300,000
Prepaid expenses	1,826	-	-	-	-	-	1,826
TOTAL ASSETS	$ 11,611,465	$ 1,742,205	$ 382,557	$ 52,259	$ 818,645	$ 3,003,364	$ 17,610,495
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	$ 349,443	$ 726	$ 23,121	$ -	$ 109,515	$ 70,105	$ 552,910
Due to other governments	-	-	-	-	-	36	36
Due to other funds	567	-	-	-	28,008	653	29,228
Adavnces from other funds	-	-	-	1,551,029	-	-	1,551,029
Special deposits	16,181	-	-	-	-	-	16,181
Unearned revenues	-	-	-	-	-	87,102	87,102
Total liabilities	366,191	726	23,121	1,551,029	137,523	157,896	2,236,486
DEFERRED INFLOWS OF RESOURCES							
Subsequent year tax levy	6,294,673	928,975	352,071	52,259	372,000	1,630,873	9,630,851
Special assessments	-	-	-	-	-	3,838	3,838
Total deferred inflows of resources	6,294,673	928,975	352,071	52,259	372,000	1,634,711	9,634,689
FUND BALANCES (DEFICIT)							
Nonspendable							
Delinquent personal property taxes	8,871	-	-	-	-	-	8,871
Long-term receivables and prepaids	1,826	-	-	-	-	-	1,826
Advances to other funds	1,551,029	-	-	-	-	-	1,551,029
Restricted							
Debt service	-	-	-	-	-	11,568	11,568
Tax increment district development	-	812,504	7,365	-	-	-	819,869
Library	-	-	-	-	-	84,125	84,125
Police donations	17,205	-	-	-	-	-	17,205
Police asset forfeiture	-	-	-	-	-	6,786	6,786
Park and recreation	-	-	-	-	-	108,830	108,830
Committed							
Capital asset acquisition and construction	-	-	-	-	309,122	-	309,122
Street lighting	-	-	-	-	-	227,596	227,596
North Shore Health Department	-	-	-	-	-	46,980	46,980
Recycling	-	-	-	-	-	602,283	602,283
Park & recreation	-	-	-	-	-	122,589	122,589
Unassigned (deficit)	3,371,670	-	-	(1,551,029)	-	-	1,820,641
Total fund balances (deficit)	4,950,601	812,504	7,365	(1,551,029)	309,122	1,210,757	5,739,320
TOTAL LIABILITIES AND FUND BALANCES	$ 11,611,465	$ 1,742,205	$ 382,557	$ 52,259	$ 818,645	$ 3,003,364	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note II A.	17,152,146
Special assessments and other receivables recognized as revenue	3,838
Deferred outflows of resources that are not current financial resources	1,507,761
Pension asset that is not a current financial resource	923,940
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 position.	547,281
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note II A.	(19,008,986)
NET POSITION OF GOVERNMENTAL FUNDS	$ 6,865,300

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	General	TIF No. 2	TIF No. 3	TIF No. 4	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 6,861,193	$ 867,453	$ 227,762	$ 70,991	$ 372,000	$ 1,248,688	$ 9,648,087
Intergovernmental revenues	1,325,135	1,860	2,696	481,414	260,710	269,422	2,341,237
Licenses and permits	485,237	-	-	-	-	101,115	586,352
Fines, forfeitures, and penalties	390,134	-	-	-	-	-	390,134
Public charges for services	30,808	-	-	-	-	500,560	531,368
Public improvement revenues	-	-	-	-	-	74,336	74,336
Intergovernmental charges for services	-	-	-	-	-	452,568	452,568
Commercial revenues	267,545	11,776	1,934,173	-	6,098	181,992	2,401,584
Total revenues	9,360,052	881,089	2,164,631	552,405	638,808	2,828,681	16,425,666
Expenditures							
Current							
General government	1,339,605	-	-	-	-	-	1,339,605
Public safety	6,220,703	-	-	-	120,949	82,102	6,423,754
Public works	1,333,060	-	-	-	-	344,857	1,677,917
Health and human services	137,714	-	-	-	-	622,277	759,991
Culture, recreation, and education	211,386	-	-	-	-	783,224	994,610
Conservation and development	-	143,892	3,209,052	196,327	-	-	3,549,271
Capital outlay	-	1,058,885	-	-	1,223,853	769	2,283,507
Debt service							
Principal retirement	-	400,000	230,000	256,050	79,255	680,755	1,646,060
Interest and fiscal charges	-	206,138	83,298	183,678	14,639	183,272	671,025
Total expenditures	9,242,468	1,808,915	3,522,350	636,055	1,438,696	2,697,256	19,345,740
Excess (deficiency) of revenues over expenditures	117,584	(927,826)	(1,357,719)	(83,650)	(799,888)	131,425	(2,920,074)
Other Financing Sources (Uses)							
Transfers in	305,569	-	-	-	-	632	306,201
Transfers out	(90,632)	-	-	-	-	-	(90,632)
Issuance of long-term debt	-	1,410,000	-	-	-	-	1,410,000
Proceeds from sale of capital assets	28,786	-	-	-	-	-	28,786
Total other financing sources (uses)	243,723	1,410,000	-	-	-	632	1,654,355
Net change in fund balances	361,307	482,174	(1,357,719)	(83,650)	(799,888)	132,057	(1,265,719)
Fund balances - beginning of year (deficit)	4,589,294	330,330	1,365,084	(1,467,379)	1,109,010	1,112,871	7,039,210
Prior period adjustment	-	-	-	-	-	(34,171)	(34,171)
Fund balances (deficit) - beginning of year, restated	4,589,294	330,330	1,365,084	(1,467,379)	1,109,010	1,078,700	7,005,039
Fund balances - end of year (deficit)	$ 4,950,601	$ 812,504	$ 7,365	$ (1,551,029)	$ 309,122	$ 1,210,757	$ 5,739,320

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2015

Net change in fund balances-total governmental funds	$ (1,265,719)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of net position, the cost of these assets is capitalized and they are depreciated over their useful lives and reported estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements	1,625,454
Capital assets transferred from enterprise funds are not shown as capital outlay in the fund statements.	1,455,572
Depreciation is reported in the government-wide financial statements.	(1,202,868)
Proceeds from the sale of capital assets are recorded as revenue in the governmental funds but are removed from revenues in the Statement of Activities ($28,786). The gain on the sale of capital assets is recognized within the Statement of Activities ($16,482).	(12,304)
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.	(767,201)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(1,410,000)
Principal repaid	1,646,060
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.	
Pension related expenses	21,071
Amount payable to developer	(350,000)
Other postemployment benefits	3,972
Compensated absences	316,246
Accrued interest on debt	27,500
Amortization of loss on refunding	(41,800)
Amortization of premium	17,297
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.	10,912
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 74,192

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Net Position
Proprietary Funds
December 31, 2015

	Water Utility	Sewer Utility	Storm Water Utility	Totals	Governmental Activities - Internal Service Fund
ASSETS					
Current assets					
Cash and cash equivalents	$ 1,435,496	$ 864,493	$ 303,147	$ 2,603,136	$ 94,430
Accounts receivable	411,756	403,695	269,220	1,084,671	26,832
Materials and supplies inventory	17,422	-	-	17,422	-
Restricted assets - cash and cash equivalents					
Unspent bond proceeds	315,626	36,759	200,098	552,483	-
Total current assets	2,180,300	1,304,947	772,465	4,257,712	121,262
Noncurrent assets					
Capital assets					
Land	11,654	-	-	11,654	-
Structures, improvements, and equipment	13,214,028	8,205,772	7,198,924	28,618,724	-
Less: accumulated depreciation	(4,697,255)	(3,995,161)	(2,626,594)	(11,319,010)	-
Other assets					
Net pension asset	21,577	15,753	35,075	72,405	-
Advance to other funds	-	-	11,491	11,491	-
Investment in CVMIC	-	-	-	-	429,675
Total noncurrent assets	8,550,004	4,226,364	4,618,896	17,395,264	429,675
Total assets	10,730,304	5,531,311	5,391,361	21,652,976	550,937
DEFERRED OUTFLOWS OF RESOURCES					
Pension items	22,448	16,389	36,491	75,328	-
Total deferred outflows of resources	22,448	16,389	36,491	75,328	-
Total assets and deferred outflows of resources	10,752,752	5,547,700	5,427,852	21,728,304	550,937
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	85,414	74,930	30,111	190,455	2,638
Accrued interest	12,588	11,557	18,266	42,411	-
Unearned revenue	69,009	-	-	69,009	-
Due to other funds	220	-	-	220	1,018
Current portion of advance from other funds	-	11,491	-	11,491	-
Current portion of accumulated sick and vacation pay	7,100	3,600	6,300	17,000	-
Current portion of long-term liabilities	118,955	96,375	327,694	543,024	-
Total current liabilities	293,286	197,953	382,371	873,610	3,656
Noncurrent liabilities					
Accumulated sick and vacation pay	22,564	4,133	7,017	33,714	-
Long-term bonds and notes payable	1,656,040	1,021,075	2,351,942	5,029,057	-
Total noncurrent liabilities	1,678,604	1,025,208	2,358,959	5,062,771	-
Total liabilities	1,971,890	1,223,161	2,741,330	5,936,381	3,656
NET POSITION					
Net investment in capital assets	7,069,058	3,129,920	2,092,792	12,291,770	-
Unrestricted	1,711,804	1,194,619	593,730	3,500,153	547,281
TOTAL NET POSITION	$ 8,780,862	$ 4,324,539	$ 2,686,522	$ 15,791,923	$ 547,281

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2015

	Water Utility	Sewer Utility	Storm Water Utility	Totals	Governmental Activities - Internal Service Fund
OPERATING REVENUES					
Sale of water	$ 1,594,419	$ -	$ -	$ 1,594,419	$ -
Sewage collection charges	-	1,534,534	-	1,534,534	-
Storm water charges	-	-	994,917	994,917	-
Other operating revenues	180,383	-	1,680	182,063	21,948
Total operating revenues	1,774,802	1,534,534	996,597	4,305,933	21,948
OPERATING EXPENSES					
Operation and maintenance	1,030,388	1,436,648	593,715	3,060,751	127,567
Depreciation	211,213	162,115	203,714	577,042	-
Total operating expenses	1,241,601	1,598,763	797,429	3,637,793	127,567
Operating income (loss)	533,201	(64,229)	199,168	668,140	(105,619)
NONOPERATING REVENUES (EXPENSES)					
Investment income	16,099	17,335	7,929	41,363	26,531
Other nonoperating income	-	-	11,566	11,566	-
Gain on sale of capital assets	-	27,749	17,552	45,301	-
Interest expense	(49,538)	(38,658)	(69,590)	(157,786)	-
Total nonoperating revenues (expenses)	(33,439)	6,426	(32,543)	(59,556)	26,531
Income (loss) before contributions and transfers	499,762	(57,803)	166,625	608,584	(79,088)
CONTRIBUTED CAPITAL	117,307	-	-	117,307	-
TRANSFERS IN	-	-	-	-	90,000
TRANSFERS OUT	(305,569)	-	(1,455,572)	(1,761,141)	-
Change in net position	311,500	(57,803)	(1,288,947)	(1,035,250)	10,912
NET POSITION - BEGINNING OF YEAR	8,242,358	4,225,346	3,782,496	16,250,200	603,401
Prior period adjustment	227,004	156,996	192,973	576,973	(67,032)
NET POSITION, BEGINNING OF YEAR, AS RESTATED	8,469,362	4,382,342	3,975,469	16,827,173	536,369
NET POSITION - END OF YEAR	$ 8,780,862	$ 4,324,539	$ 2,686,522	$ 15,791,923	$ 547,281

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

	Business-type Activities - Enterprise				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	$ 1,823,935	$ 1,407,250	$ 1,090,243	$ 4,321,428	$ 19,078
Paid to suppliers for goods and services	(931,935)	(1,248,852)	(387,484)	(2,568,271)	(124,929)
Paid to employees for services	(101,720)	(117,191)	(188,512)	(407,423)	-
Transfer in - operational transfer	-	-	-	-	91,018
Net cash provided by (used in) operating activities	790,280	41,207	514,247	1,345,734	(14,833)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer out - paid for tax equivalent	(305,569)	-	-	(305,569)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on long-term debt	(118,100)	(91,000)	(316,452)	(525,552)	-
Interest paid on long-term debt	(49,631)	(36,275)	(68,376)	(154,282)	-
Payments on capital related advances	-	(10,983)	-	(10,983)	-
Received on advances to other funds	-	-	10,983	10,983	-
Proceeds from sale of capital assets	-	33,425	45,552	78,977	-
Acquisition and construction of capital assets	(441,531)	(182,530)	(1,563,917)	(2,187,978)	-
Net cash used in capital and related financing activities	(609,262)	(287,363)	(1,892,210)	(2,788,835)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	16,099	17,335	7,929	41,363	26,531
Net increase (decrease) in cash and cash equivalents	(108,452)	(228,821)	(1,370,034)	(1,707,307)	11,698
Cash and cash equivalents - beginning of year	1,859,574	1,130,073	1,873,279	4,862,926	82,732
Cash and cash equivalents - end of year	$ 1,751,122	$ 901,252	$ 503,245	$ 3,155,619	$ 94,430

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2015

	Business-type Activities - Enterprise				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 533,201	$ (64,229)	$ 199,168	$ 668,140	$ (105,619)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	211,213	162,115	203,714	577,042	-
Transfer in - operational transfer	-	-	-	-	90,000
(Increase) decrease in assets and deferred outflows					
Accounts receivable	47,222	(127,284)	93,646	13,584	(2,870)
Inventory	2,803	-	-	2,803	-
Net pension asset	13,410	9,790	21,798	44,998	-
Deferred outflows	(13,829)	(10,096)	(22,480)	(46,405)	-
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	(14,072)	69,400	15,700	71,028	2,638
Due to other funds	-	-	-	-	1,018
Unearned revenue	1,911	-	-	1,911	-
Accumulated sick leave payable	8,421	1,511	2,701	12,633	-
Net cash provided by (used in) operating activities	$ 790,280	$ 41,207	$ 514,247	$ 1,345,734	$ (14,833)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and cash equivalents	$ 1,435,496	$ 864,493	$ 303,147	$ 2,603,136	$ 94,430
Restricted cash and cash equivalents	315,626	36,759	200,098	552,483	-
CASH AND CASH EQUIVALENTS	$ 1,751,122	$ 901,252	$ 503,245	$ 3,155,619	$ 94,430
NONCASH TRANSACTIONS					
Transfer of capital assets to governmental activities	$ -	$ -	$ (1,455,572)	$ (1,455,572)	$ -
Capital contributions	117,307	-	-	117,307	-

The accompanying notes are an integral part of this statement.

Village of Brown Deer
Statement of Fiduciary Net Position
Agency Fund
December 31, 2015

	Property Tax
ASSETS	
Cash and cash equivalents	$ 6,445,041
Taxes receivable	14,286,585
TOTAL ASSETS	$ 20,731,626
LIABILITIES	
Accounts payable and accrued liabilities	$ 34,839
Due to other taxing units	20,696,787
TOTAL LIABILITIES	$ 20,731,626

The accompanying notes are an integral part of this statement.

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, Wisconsin. 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. The Brown Deer Library Foundation (Foundation) is a blended component unit of the Brown Deer Library (Library) because the Library appoints the voting majority of the Foundation's board, the Library can impose its will on the Foundation, and the Foundation provides services exclusively to the Library, but due to its insignificance in relation to the financial statements, it is not included as a component unit of the Library in this report. The Village also considers the Community Development Authority (CDA) to be a blended component unit of the Village because the Village appoints the voting majority of the CDA's board, the Village can impose its will on the CDA, and the CDA provides services exclusively to the Village, however, the CDA has no assets or liabilities. Therefore, this report does not contain any component units. Neither the Foundation nor the CDA issues its own financial statements.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues, and 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 and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or 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.

General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for in another fund.

Capital Projects Fund - TIF No. 2 Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

Capital Projects Fund - TIF No. 3 Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

Capital Projects Fund - TIF No. 4 Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

Capital Projects Fund - Capital Improvements Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the Capital Improvement Plan.

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 nonmajor governmental funds:

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

Grant Fund
Special Assessments Fund
Library Fund
North Shore Health Department Fund
Police Asset Forfeiture Fund
Recycling Fund
Park and Recreation Program Fund
Strehlow Donation Fund
Farmers Market Fund
Community Vibes Fund
Police Services Fund

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise fund debt.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water, sewer and 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.

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 90 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 inflows. 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 inflows. Amounts received prior to the entitlement period are recorded as unearned 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, revenues to the extent they are measureable and available, and deferred inflows.

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

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

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 of 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 (GAAP) 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, Deferred Outflow/inflows of Resources and Net Position or Fund Balance

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 Wisconsin State Statute 66.0603. 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, or the Wisconsin Aerospace 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.

The Village has adopted an investment policy which states the Village's 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 FDIC insurance limits and repurchase agreements. The amount to be collateralized is 100% 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.

The Village's policy also restricts its investment advisor from taking possession of Village funds or investment securities.

Credit Risk and Concentration of Credit Risk

Per state statutes, Village investments are limited to securities issued or guaranteed by the federal government, 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 Local Government 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 20% shall be with a single issuer of U.S. agencies or commercial paper.

Interest Rate Risk

The Village limits its investments to those 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, 2015, 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.

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 position.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	March 31, 2016
Third installment due	May 31, 2016
Personal property taxes in full	January 31, 2016
Tax settlements	
Initial settlement	January 15, 2016
Second settlement	February 15, 2016
Third settlement	April 15, 2016
Fourth settlement	June 15, 2016
Final settlement	August 15, 2016
Tax deed by County - 2015	
Delinquent real estate taxes	October 2018

No allowance for doubtful accounts has been established for the Village's receivables. 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.

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

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.

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 position. 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	10-80 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.

6. 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, 2015, are determined on the basis of current salary rates and included salary related payments.

7. 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 and any premiums or discounts, are reported as other financing sources or other financing uses, respectively. Payments of principal and interest, and debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

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 $9.84 million, made up of two issues.

8. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note V.E. on commitments and contingencies.

9. Equity Classifications

Government-Wide Statements

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

a. Net investment in capital assets - 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 position - Consists of net position 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 position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions,* the Village classifies governmental fund balance as follows:

a. Non-spendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. Restricted - Consists of fund balances with constraints placed on their 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. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.

d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; (1) The Village has adopted a financial policy authorizing the Finance and Public Works Committee to assign amounts for a specific purpose. (2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

e. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted for those purposes.

Propriety fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.
The Village has a formal minimum fund balance policy. That policy is to maintain a working capital amount of a minimum of 15% of the ensuing year's budgeted General Fund expenditures, with a targeted maximum of 30% of the ensuing year's budgeted expenditures. The 15% minimum balance at year end was $1,490,569 and is included in the unassigned General Fund balance.

Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin and effective August 15, 2015.

Sewer Utility

Current sewer rates were approved by the Village Board on November 19, 2011 and effective January 1, 2015**.**

Storm Water Utility

Current storm water rates were approved by the Village Board on November 15, 2010 and effective January 1, 2011.

E. Other Policies - Tax Incremental Districts

Tax Increment District No. 2

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.

As of December 31, 2015, the Village has made no amendments to the initial project plan.

Tax Increment District No. 3

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.

As of December 31, 2015, the Village has made no amendments to the initial project plan.

Tax Increment District No. 4

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.

As of December 31, 2015, the Village has made no amendments to the initial project plan.

II. RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position

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

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 position.

Bonds and notes payable	$ 18,024,031
Unamortized premium	83,546
Amount due to developer	350,000
Compensated absences	381,210
Other postemployment benefits	33,483
Accrued interest	136,716
Combined adjustment for long-term liabilities	$ 19,008,986

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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	$ 1,253,948	$ 1,339,605	$ 85,657
Public Works	1,292,665	1,333,060	40,395
Special Revenue Funds			
Special Assessments Fund	34,987	44,983	9,996
Library Fund	535,095	544,618	9,523
Debt Service Fund	815,842	864,027	48,185
Capital Projects Fund			
TIF No. 2 Fund	696,623	758,675	1,112,292
TIF No. 3 Fund	421,690	3,522,350	3,100,660
TIF No. 4 Fund	629,106	636,055	6,949

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

B. Limitations on the Village's Tax Levy

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or zero percent for the 2014 levy collected in 2015 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

C. Fund Balance Deficits

As of December 31, 2015, TIF No. 4 had a fund balance deficit of $1,551,029. The deficit is expected to be mitigated by future tax increments.

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 position and balance sheet as cash and investments.

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash	$ 8,887	$ -	N/A
Demand deposits	9,606,084	8,637,602	Custodial credit risk
Certificates of deposit	3,882,209	3,791,681	Custodial credit risk
Money market accounts	550,297	550,297	Custodial credit risk
Local government investment pool	944,600	944,600	Credit risk and interest rate risk
Municipal bonds	420,440	420,440	Custodial credit, credit, concentration of credit risk and interest rate risk
U.S. agencies	3,096,999	3,096,999	Custodial credit, credit, concentration of credit risk and interest rate risk
	$ 18,509,516	$ 17,441,619	

Reconciliation to financial statements	
Per statement of net position	
Cash and cash equivalents	$ 12,064,475
Per statement of net position - Agency Fund	
Cash and cash equivalents	6,445,041
Total cash and investments	$ 18,509,516

Deposits in each local bank are insured by the FDIC in the amount of $250,000 for demand deposits and $250,000 for time and savings deposits. 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 the 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.

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, 2015, the Village's deposits were fully insured or collateralized.

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 is covered by SIPC for up to $500,000 on its U.S. Agencies and Municipal bonds. The remainder of the balance of these investments is exposed to custodial credit risk.

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, 2015, the Village's investments were rated as follows:

Investment Type	Amount	Moody's Investors Services
U.S. Agencies	$ 3,096,999	AAA
Municipal bonds	49,968	Aa1
Municipal bonds	218,654	Aa2
Municipal bonds	50,743	Aa3
Municipal bonds	101,075	Aa1
LGIP	944,600	Unrated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. Agencies	10.57%
FNMA	U.S. Agencies	12.64%

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, 2015, the Village's investments mature as follows:

		Maturity			
Investment Type	Fair Value	Less than 6 months	6 months - 1 year	1-3 years	3 or more years
Local government investment pool	$ 944,600	$ 944,600	$ -	$ -	$ -
Certificates of Deposit	3,882,209	930,220	934,178	2,017,811	-
US agencies	3,096,999	-	-	2,105,298	991,701
Municipal bonds	420,440	176,569	90,883	152,988	-
Totals	$ 8,344,248	$ 2,051,389	$ 1,025,061	$ 4,276,097	$ 991,701

The Village has invested in certificates of deposit which exceed the maturity allowed by state statues. See Note I.D.I, for the Village's investment policy and further information on deposits and investments.

B. Receivables

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

	Unavailable	Unearned	Total
Property taxes receivable for subsequent year	$ 9,630,851	$ -	$ 9,630,851
Special assessments not yet due	3,838	-	3,838
Total Deferred/Unearned Revenue for Governmental Funds	$ 9,634,689	$ -	$ 9,634,689

No allowances for doubtful accounts have been established for the Village's receivables. All receivables are expected to be collected within one year.

C. Restricted Assets

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects related to the proprietary funds as specified in the bond agreement. The cash proceeds are restricted for the purposes of financing the projects. As of December 31, 2015, the Village had unspent bond proceeds of $552,483.

D. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance, Restated	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,374,569	$ -	$ -	$ 1,374,569
Construction in progress	125,253	295,759	271,803	149,209
Total capital assets not being depreciated	1,499,822	295,759	271,803	1,523,778
Capital assets being depreciated				
Machinery and equipment	3,525,526	340,334	65,550	3,800,310
Library collection	985,824	56,666	104,960	937,530
Buildings and improvements	7,030,798	79,016	-	7,109,814
Infrastructure	14,756,502	2,581,054	-	17,337,556
Total capital assets being depreciated	26,298,650	3,057,070	170,510	29,185,210
Total capital assets	27,798,472	3,352,829	442,313	30,708,988
Less: Accumulated depreciation for				
Buildings and improvements	3,840,399	237,566	-	4,077,965
Library collection	598,562	69,272	104,960	562,874
Machinery and equipment	1,612,842	327,472	53,246	1,887,068
Infrastructure	6,460,377	568,558	-	7,028,935
Total accumulated depreciation	12,512,180	1,202,868	158,206	13,556,842
Net capital assets, being depreciated	13,786,470	1,854,202	12,304	15,628,368
Total governmental activities capital assets net of accumulated depreciation	$ 15,286,292	$ 2,149,961	$ 284,107	$ 17,152,146

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 168,679
Public safety	129,399
Public works, which includes the depreciation of infrastructure	737,348
Health and human services	1,437
Culture, recreation and education	160,859
Conservation and development	5,146
Total Governmental Activities Depreciation Expense	$ 1,202,868

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	$ 11,654	$ -	$ -	$ 11,654
Construction in progress	73,604	496,309	569,913	-
Total capital assets not being depreciated	85,258	496,309	569,913	11,654
Capital assets being depreciated				
Structures and improvements	477,886	-	-	477,886
Water utility system	11,575,009	561,634	88,622	12,048,021
Sewer utility system	7,679,318	144,713	-	7,824,031
Storm water utility system	6,721,987	179,151	-	6,901,138
Machinery and equipment	1,620,274	37,817	290,443	1,367,648
Total capital assets being depreciated	28,074,474	923,315	379,065	28,618,724
Total capital assets	28,159,732	1,419,624	948,978	28,630,378
Less: Accumulated depreciation for				
Structures and improvements	327,022	8,695	-	335,717
Water utility system	3,652,955	214,148	88,622	3,778,481
Sewer utility system	3,742,353	97,008	-	3,839,361
Storm water utility system	2,382,666	191,895	-	2,574,561
Machinery and equipment	990,361	65,296	264,767	790,890
Total accumulated depreciation	11,095,357	577,042	353,389	11,319,010
Net capital assets, being depreciated	16,979,117	346,273	25,676	17,299,714
Business-type capital assets net of accumulated depreciation	$ 17,064,375	$ 842,582	$ 595,589	$ 17,311,368

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water Utility	$ 211,213
Sewer Utility	162,115
Storm Water Utility	203,714
Total Business-type Activities Depreciation Expense	$ 577,042

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 receivable / payables			
General Fund	Nonmajor Governmental Funds	$ 653	
Nonmajor Governmental Funds	Water Utility	220	
General Fund	Capital Improvements	28,008	
Nonmajor Governmental Funds	General	567	
Nonmajor Governmental Funds	Internal Service Fund	1,018	
		$ 30,466	
Interfund Advances			
Storm Water Utility	Sewer Utility	$ 11,491	$ -
General Fund	TIF No. 4	1,551,029	1,551,029
		$ 1,562,520	$ 1,551,029

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 between the Storm Water Utility and the Sewer Utility for $11,491 bears interest with rates ranging from 3.75% to 4.55% and is due annually in varying amounts through April 1, 2016.

The interfund advance from the General Fund to TIF No. 4 is payable when TIF No. 4 generates the increment necessary to repay the General Fund. There is no stated interest rate.

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	$ 305,569	Payment in lieu of taxes
Nonmajor Governmental Funds	General Fund	632	Operational funding
Internal Service Fund	General Fund	90,000	Operational funding

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.

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable					
General obligation debt	$ 17,551,163	$ 1,410,000	$ 1,566,805	$ 17,394,358	$ 1,799,704
G.O. Note payable-Village of Whitefish Bay	453,355	-	51,649	401,706	52,540
G.O. Note payable-Village of Bayside	255,573	-	27,606	227,967	27,606
Unamortized premium on bonds	100,843	-	17,297	83,546	8,758
Total Bonds and Notes Payable	18,360,934	1,410,000	1,663,357	18,107,577	1,888,608
Other Liabilities					
Amount due to developer	-	750,000	400,000	350,000	110,000
Other postemployment benefits	37,455	49,139	53,111	33,483	-
Vested compensated absences	697,456	304,544	620,790	381,210	286,000
Total Other Liabilities	734,911	1,103,683	1,073,901	764,693	396,000
Total Governmental Activities Long-term Liabilities	$ 19,095,845	$ 2,513,683	$ 2,737,258	$ 18,872,270	$ 2,284,608
Business-type Activities					
Bonds and notes payable					
General obligation debt	$ 6,046,685	$ -	$ 525,552	$ 5,521,133	$ 536,133
Unamortized premium on bonds	60,490	-	9,542	50,948	6,891
Other liabilities					
Vested compensated absences	55,081	22,072	26,439	50,714	17,000
Total Business-type Activities Long-Term Liabilities	$ 6,162,256	$ 22,072	$ 561,533	$ 5,622,795	$ 560,024

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.

General Obligation Debt

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, 2015 was $44,979,710. Total general obligation debt and related pledges outstanding at year end was $23,545,164.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2015
Governmental Activities					
General Obligation Debt					
Taxable issues					
Refunding Bonds	5/9/2011	4/1/2022	1.80-4.35%	$ 625,000	$ 430,000
	11/26/2012	4/1/2028	1.00-3.25%	5,345,000	4,865,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00-3.00%	943,823	401,706
Bayside NSFD	4/6/2012	8/1/2023	0.80-2.30%	501,799	227,967
Community Dev Bonds	9/29/2006	4/1/2026	5.35-5.80%	5,580,000	320,000
	5/2/2007	10/1/2022	5.40-5.50%	3,355,000	2,075,000
Tax-exempt issues					
Promissory Notes	3/16/2015	4/1/2022	0.50-2.38%	1,410,000	1,410,000
	4/1/2006	4/1/2016	3.75-3.80%	1,300,000	185,000
	12/12/2011	4/1/2031	2.00-3.35%	630,000	500,000
	11/26/2012	4/1/2032	0.65-2.50%	550,000	550,000
Refunding Bonds	4/23/2012	4/1/2016	2.00%	400,000	103,867
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	415,000	230,000
	4/5/2010	4/1/2030	2.10-5.80%	5,355,000	4,490,000
	10/27/2014	4/1/2030	2.00-3.00%	2,025,000	2,025,000
State Trust Fund Loan	12/12/2011	3/15/2016	3.25%	277,000	73,015
	12/27/2012	3/15/2017	2.50%	301,122	137,476
Total Governmental Activities General Obligation Debt					$ 18,024,031
Business-type Activities					
General Obligation Deb					
Tax-exempt issues					
Promissory Notes	12/12/2011	4/1/2031	2.00-3.35%	$ 800,000	$ 670,000
	11/26/2012	4/1/2016	2.00%	815,000	720,000
Refunding Bonds	4/23/2012	4/1/2016	2.00%	505,000	131,133
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	2,020,000	1,070,000
	4/3/2008	4/1/2016	2.60-4.00%	1,125,000	690,000
	10/27/2014	4/1/2029	2.00-3.00%	2,375,000	2,240,000
Total Business-type Activities General Obligation Debt					$ 5,521,133

Note Payable - Village of Whitefish Bay

The Village issued a $943,823 general obligation promissory note to the Village of Whitefish Bay for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The total balance due on the notes was $401,706 on December 31, 2015. 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 2.00-3.00%.

Note Payable - Village of Bayside

The Village issued a $501,799 general obligation promissory note to the Village of Bayside 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 $227,967 on December 31, 2015. 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 0.80-2.30%.

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
2016	$ 1,879,850	$ 619,317	$ 536,133	$ 153,658
2017	1,712,471	561,394	430,000	139,811
2018	1,754,598	504,214	440,000	125,785
2019	1,810,488	454,741	460,000	111,175
2020	1,852,269	1,462,454	480,000	95,760
2021-2025	6,504,355	489,349	1,840,000	283,829
2026-2030	2,510,000	33,884	1,180,000	97,225
2031-2032	-	-	155,000	3,526
Totals	$ 18,024,031	$ 4,125,353	$ 5,521,133	$ 1,010,769

Other Debt Information

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

During 2015, the Village entered into a tax increment district redevelopment agreement which includes a MRO to reimburse eligible project costs incurred by the developer. This obligation is payable solely from a portion of the Tax Increment District No. 3 increment as defined by the developer agreement. Should the TID close before the project costs are repaid, the Village is liable for any additional payments. The Village paid $400,000 related to this agreement during 2015, and expects to pay additional sums of $110,000, $115,000, and $125,000 during 2016, 2017, and 2018 respectively.

G. Net Position / Fund Balances

Net position reported on the government wide statement of net position at December 31, 2015 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	$ 1,374,569
Construction in progress	149,209
Other capital assets, net of accumulated depreciation	15,628,368
Less: related long-term capital debt outstanding	(7,606,882)
Plus: unamortized loss related to capital debt	40,666
Plus: unspent capital related debt proceeds	152,685
Total Net Investment in Capital Assets	9,738,615
Restricted	
Debt service	11,568
Police asset forfeiture fund	6,786
Police donations	17,205
Parks and recreation	108,830
TIF development	819,869
Library	84,125
Total Restricted	1,048,383
Unrestricted (Deficit)	(3,921,698)
Total Governmental Activities Net Position (Deficit)	$ 6,865,300

Business-type Activities

Net Investment in Capital Assets	
Land	$ 11,654
Other capital assets, net of accumulated depreciation	17,299,714
Less: related long-term capital debt outstanding	(5,521,133)
Less: premium on debt	(50,948)
Plus: unspent capital related debt proceeds	552,483
Total Net Investment in Capital Assets	12,291,770
Unrestricted	3,500,153
Total Business-Type Activities Net Position	$ 15,791,923

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	$ 9,738,615	$ 12,291,770	$ (184,939)	$ 21,845,446
Unrestricted	(3,921,698)	3,500,153	184,939	$ (236,606)

V. OTHER INFORMATION

A. Employees’ Retirement System

General Information about the Pension Plan

Plan description. The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

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

During the reporting period, the WRS recognized $394,968 in contributions from the employer. Contributions are made from the General Fund, Recycling Fund, North Shore Health Department, Library Fund, Water Utility Fund, Sewer Utility Fund, and Storm Water Utility Fund.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the Village reported a liability (asset) of ($996,345) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the Village's proportion was 0.04056323%, which was an increase of 0.00041483% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Village recognized pension expense of $(22,477).

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$144,439	$0
Changes in assumptions	0	0
Net differences between projected and actual earnings on pension plan investments	482,478	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,676	0
Employer contributions subsequent to the measurement date	398,099	0
Total	$1,039,692	$0

$398,099 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources
2015	$126,037	0
2016	126,037	0
2017	126,037	0
2018	126,037	0
2019	126,037	0
Thereafter	11,408	0

Actuarial assumptions. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases: Inflation Seniority/Merit	 3.2% 0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23%
Fixed Income	1.7	36%
Inflation Sensitive Assets	2.3	20%
Real Estate	4.2	7%
Private Equity/Debt	6.9	7%
Multi-Asset	3.9	6%
Cash	0.9%	-20%

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village of Brown Deer's proportionate share of the net pension liability (asset)	$(482,486)	($996,345)	($1,454,954)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements which are available at http://legis.wisconsin.gov/lab/ and reference report number 15-11.

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.

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.

The WMIC has no assets, liabilities, equity or financial activity for the year ended December 31, 2015.

The CVMIC provides the Village with $5,000,000 of liability coverage for losses over its self-insured retention level of $37,500 per occurrence with a $150,000 aggregate stop loss.

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 claim 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 each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The Village 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 on December 31, 2015 was approximately 1.795%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2015, the lump sum payment would be $429,675.

The Village records 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 estimates 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 2014 and 2015 were:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2014	$ -	$ 6,560	$ 6,560	$ -
2015	-	31,382	31,382	-

At December 31, 2015, the internal service fund established for liability insurance has a net position of $547,281.

C. Inter-Municipal Agreements

North Shore Fire Department (NSFD)

The Village is a member of the North Shore Fire Department (the Department) along with the Villages of Bayside, Fox Point, River Hills, Brown Deer, 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 2015, the Village incurred expenditures of $2.11 million for fire protection and emergency medical services under this agreement. The Department's 2015 approved budget is $13.98 million of which the Village's portion is approximately $2.11 million. On December 31, 2015, the Department had total fund equity of approximately $2.63 million, a deficit in net position of approximately $4.34 million and net investment in capital assets of approximately $3.83 million. Complete 2015 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

Milwaukee Area Domestic Animal Control Commission (MADACC)

The Village is a member of the Milwaukee Area Domestic Animal Control Commission (the 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.

North Shore Health Department (NSHD)

The North Shore Health Department is comprised of the Villages of Brown Deer, Bayside, Fox Point, Brown Deer, Whitefish Bay, and River Hills, as well as the City of Glendale. The NSHD Board of Health is comprised of one member representative from each community, to be appointed by each communities President's/Mayor's.

The Village of Brown Deer is the fiscal agent for the NSHD. Compensation is made to the Village of Brown Deer by each individual community using a formula of direct hours and population as well as indirect costs prorated based on each community's population percentage to all NSHD municipalities' total population.

Bayside Communications Center (BACC)

The Village of Brown Deer entered into a ten-year agreement with the Village of Bayside effective January 1, 2012 in which Bayside will provide a unified public safety answering point (PSAP). Bayside provides dispatch service to Brown Deer, including all police and fire emergency calls, transfer calls, calls for medical emergencies, emergency rescue calls, and calls for dispatch services. The operating costs are be based on a formula that is restricted by the lesser of the State imposed levy limit plus any non-personnel contractual obligations or the consumer price index increase. The agreement states that the Village will make an annual capital contribution to the BACC with payments ranging from $5,428 to $16,201.

D. Other Postemployment Benefits

The Village administers a single-employer defined benefit postemployment 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. 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.

Plan description. The Village administers a single-employer defined postemployment healthcare plan. The Village's postemployment healthcare plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other post-employment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

As of December 31, 2013 (latest information available), the plan had 7 retirees receiving benefits and 56 active plan members. During 2015, the Village contributed $53,163 to the plan and retirees contributed $65,972.

Funding policy. The Village funds these postemployment 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.

Annual OPEB cost and Net OPEB obligation. The Village's annual other postemployment 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.

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	$	49,139
Interest on net OPEB obligation		1,498
Adjustment to annual required contribution		(1,446)
Annual OPEB cost (expense)		49,191
Contributions made		(53,163)
Increase in net OPEB Liability		(3,972)
Net OPEB Liability - beginning of year		37,455
Net OPEB Liability - end of year	$	33,483

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
12/31/2013	$	47,760	93.9%	$	36,130
12/31/2014		48,275	97.3%		37,455
12/31/2015		49,191	108.1%		33,483

Funded status and funding progress. The funded status as of January 1, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	$ 512,028
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	512,028
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll OPEB (active plan members)	$ 4,744,380
UAAL as a percentage of covered payroll	10.79%

Actuarial valuation 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, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions. 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. A copy of the plan can be obtained at the Brown Deer Village Hall. 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 annual required contribution to the plan was determined as a part of the January 1, 2013 actuarial valuation using the following methods and assumptions:

Actuarial cost method:	projected unit credit
Amortization method:	level percentage of payroll
Remaining amortization period:	27 years
Investment return:	4.00%
Projected salary increases:	3.00%
Healthcare cost trend rate:	9.50% (2014) decreasing to 5.50% (2029+)

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, 2015, are not likely to have a material adverse impact on the Village's financial position.

During 2014, the Village entered into a tax increment district redevelopment agreement which includes a Municipal Revenue Obligation ("MRO") to reimburse eligible project costs incurred by the developer. This obligation is payable solely from a portion of the Tax Increment District No. 3 increment as defined by the developer agreement. Should the TID close before the project costs are repaid, the Village is liable for any additional payments. Total costs that could be reimbursed amount to $2,180,000. The developer has yet to meet the requirements of the agreement resulting in the recognition of an MRO as of December 31, 2015. The Village expects the developer to meet all requirements of the agreement during the fiscal year 2016, resulting in an initial payment of $500,000 and 12 installment payments beginning in June, 2017 and continuing until June, 2028.

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. Prior Period Adjustments

During the fiscal year, the Village recorded a prior period adjustment in the Governmental Activities portion of its government wide financial statements, as well as its Water Utility, Sewer Utility, and Stormwater Utility funds in the amounts of $1,867,233, $43,606, $31,833, and $70,883, respectively, to recognize the effect of recording the net pension asset resulting from its participation in WRS for its employees' pension as well as the contributions made between the measurement date used for WRS as of December 31, 2013 and the date its financial statements in the prior year of December 31, 2014.

The Village recorded a prior period adjustment in the North Shore Health Department Fund in the amount of $34,171 for revenue that had previously been recognized as available as of December 31, 2014 but had actually not been received within the Village's availability period as defined in its revenue recognition policy.

The Village recorded a prior period adjustment to recognize amounts receivable from water, sewer, and stormwater customers that were earned but not yet billed. The adjustment caused an increase in the unrestricted net position (deficit) in the Water Utility Fund of $183,398, in the Sewer Utility Fund of $184,350, and Stormwater Utility Fund of $122,090 as of December 31, 2014.

The Village recorded a prior period adjustment in the Sewer Utility Fund in the amount of $59,187 for expenses that had been incurred by the fund but had not been recorded as of December 31, 2014.

The Village recorded prior period adjustments in its Internal Service Fund in the amount of $109,032 for deposits with the Cities and Villages Mutual Insurance Company (CVMIC) that had been improperly adjusted for gains and losses incurred by CVMIC in prior periods, and $42,000 for the removal of IBNR liability.

The Village recorded a prior period adjustment of $41,560 in its Governmental Activities for accumulated depreciation related to various assets that had not been properly depreciated.

Governmental funds and activities:	North Shore Health Department	Governmental Activities
Fund balance/Net position on December 31, 2014 as previously reported	$ 33,698	$ 5,066,638
Revenue recognized but unavailable	(34,171)	(34,171)
Change in accounting principle*	-	1,867,233
Correct accumulated depreciation on capital assets	-	(41,560)
Correct CVMIC deposit amounts	-	(109,032)
Correct IBNR liability	-	42,000
Fund balance/Net position on December 31, 2014 as restated	$ (473)	$ 6,791,108

Enterprise funds and business-type activities:	Water Fund	Sewer Fund	Stormwater Fund	Business-Type activities	Internal Service Fund
Net position on December 31, 2014 as previously reported	$ 8,242,358	$ 4,225,346	$ 3,782,496	$ 16,250,200	$ 603,401
Recognize unbilled receivables	183,398	184,350	122,090	489,838	-
Change in accounting principle*	43,606	31,833	70,883	146,322	-
Accrue accounts payable related to 12/31/14	-	(59,187)	-	(59,187)	-
Correct CVMIC deposit amounts	-	-	-	-	(109,032)
Correct IBNR liability	-	-	-	-	42,000
Net position on December 31, l2014 as restated	$ 8,469,362	$ 4,382,342	$ 3,975,469	$ 16,827,173	$ 536,369

* The Village adopted GASB Statements Nos. 68 and 71.

G. Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following new accounting pronouncements:

- GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is applicable for the year ending December 31, 2016.

- Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for the fiscal year ended December 31, 2017.

- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No.75 are effective for financial statements for the fiscal year ended December 31, 2018.

- Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles – GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for the fiscal year ending December 31, 2016 and should be applied retroactively. Earlier application is permitted.

- Statement No. 77, Tax Abatement Disclosures, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for the fiscal ending December 31, 2016.

- Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, establishes requirements for pensions provided to employees of state or local government employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local government pension plan, (2) is used to provided defined benefit pensions to both employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the fiscal year ending December 31, 2016.

- Statement No. 79, Certain External Investment Pools and Pool Participants, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this statement are effective for the fiscal year ending December 31, 2016.

- Statement No. 80, Blending Requirements for Certain Component Units, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

- Statement No. 81, Irrevocable Split-interest Agreements, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged. The effective date for each of these statements is included above. GASB encourages early implementation of these new statements. Application of these standards may result in the restatement of portions of these financial statements.

- Statement No. 82, Pension Issues, address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

H. Subsequent Events

On January 4, 2016, the Village issued $1,655,000 of taxable general obligation refunding bonds and $1,140,000 of tax-exempt general obligation refunding bonds. The bonds refund the taxable general obligation community development bonds dated May 7, 2007 in the amount of $1,560,000, and general obligation corporate purpose bonds dated April 1, 2006 in the amount of $1,135,000. The new bonds bear interest at a rate of 0.95% to 2.35% and 1.50% to 2.25%, respectively, due semiannually, and serially mature annually on April 1, 2017 through April 1, 2022.

On June 27, 2016, the Village issued $3,250,000 of General Obligation Corporate Purpose Bonds. The bonds bear interest at a rate of 1.50% to 2.50%, due semiannually, and serially mature on April 1, 2017 through April 1, 2031.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Brown Deer
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 7,036,057	$ 6,861,193	$ (174,864)
Intergovernmental revenues	1,382,588	1,325,135	(57,453)
Licenses and permits	427,035	485,237	58,202
Fines, forfeitures, and penalties	240,000	390,134	150,134
Public charges for services	11,250	30,808	19,558
Commercial revenues	133,494	267,545	134,051
Total revenues	9,230,424	9,360,052	129,628
EXPENDITURES			
Current			
General government	1,253,948	1,339,605	(85,657)
Public safety	6,240,726	6,220,703	20,023
Public works	1,292,665	1,333,060	(40,395)
Health and human services	140,932	137,714	3,218
Culture, recreation, and education	212,153	211,386	767
Total expenditures	9,140,424	9,242,468	(102,044)
Excess (deficiency) of revenues over expenditures	90,000	117,584	27,584
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	28,786	28,786
Transfers in	-	305,569	305,569
Transfers out	(90,000)	(90,632)	(632)
Total other financing sources (uses)	(90,000)	243,723	333,723
Net change in fund balance	$ -	361,307	$ 361,307
Fund balance - beginning of year		4,589,294	
Fund balance - end of year		$ 4,950,601	

The accompanying notes are an integral part of this schedule.

Village of Brown Deer
Schedule of OPEB Funding Progress and Employer Contributions
December 31, 2015

Schedule of OPEB Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {(b-a)/c}
1/1/2015	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2014	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2013	$ -	$ 512,028	$ 512,028	- %	$ 4,744,380	10.79 %
1/1/2012	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2011	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2010	-	575,566	575,566	- %	4,700,000	12.25 %

N/A - Information not available as no actuarial valuation performed.

Schedule of Employer Contributions

Year Ended December 31,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2010	$ 13,800	$ 55,701	24.78%
2011	12,800	56,097	22.82%
2012	22,050	57,082	38.63%
2013	44,823	44,878	99.88%
2014	48,275	46,950	102.82%
2015	53,163	49,139	108.19%

The accompanying notes are an integral part of this schedule.

VILLAGE OF BROWN DEER

REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM
December 31, 2015

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Last 10 Fiscal Years*

	2015
Village of Brown Deer's proportion of the net pension liability (asset)	0.04056323%
Village of Brown Deer's proportionate share of the net pension liability (asset)	($996,344)
Village of Brown Deer's covered-employee payroll	$4,687,391
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%
Proportionate share of the collective net pension (asset) as a percentage of the Village's covered payroll	-21.26%

*The amounts presented for each year were determined as of the calendar year-end

SCHEDULE OF VILLAGE OF BROWN DEER CONTRIBUTIONS

Last 10 Fiscal Years*

Contractually required contributions	$398,000
Contributions in relation to the contractually required contributions	($398,000)
Contribution deficiency (excess)	$0
Village of Brown Deer's covered-employee payroll	$4,687,391
Contributions as a percentage of covered-employee payroll	8.49%

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

The Village of Brown Deer has elected to present the supplementary information required by GASB Statement No. 68 prospectively.

The accompanying notes are an integral part of this schedule.

VILLAGE OF BROWN DEER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

NOTE 1 - 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, Police Asset Forfeiture, Strehlow Donation Funds, Farmers Market, Community Vibes, and Police Services), debt service fund and the capital projects funds. 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.

Excess of expenditures over appropriations are as follows:

Fund	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
General Government	$ 1,253,948	$ 1,339,605	$ 85,657
Public Works	1,292,665	1,333,060	40,395
Special Revenue Funds			
Special Assessments Fund	34,987	44,983	9,996
Library Fund	535,095	544,618	9,523
Debt Service Fund	815,842	864,027	48,185
Capital Projects Fund			
TIF No. 2 Fund	696,623	758,675	1,112,292
TIF No. 3 Fund	421,690	3,522,350	3,100,660
TIF No. 4 Fund	629,106	636,055	6,949

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

NOTE 2 – WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions: There were no changes in the assumptions.

SUPPLEMENTARY INFORMATION

Village of Brown Deer
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds				
	Grant	**Special Assessments**	**Library**	**North Shore Health Department**	**Police Asset Forfeiture**
ASSETS					
Cash and cash equivalents	$ -	$ 213,637	$ 213,266	$ 98,678	$ 6,773
Receivables (net)					
Taxes					
Tax levy	-	-	265,348	-	-
Special assessments on tax roll	-	29,737	-	-	-
Accounts	-	354	4,287	51,118	13
Due from other funds	-	-	1,018	287	-
Due from other governments	-	-	-	-	-
TOTAL ASSETS	$ -	$ 243,728	$ 483,919	$ 150,083	$ 6,786
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ -	$ 12,294	$ 14,448	$ 24,479	$ -
Due to other funds	-	-	-	653	-
Due to other governments	-	-	-	36	-
Unearned revenues	-	-	-	77,935	-
Total liabilities	-	12,294	14,448	103,103	-
DEFERRED INFLOWS OF RESOURCES					
Subsequent year tax levy	-	-	385,346	-	-
Special assessments	-	3,838	-	-	-
Other receivables	-	-	-	-	-
	-	3,838	385,346	-	-
FUND BALANCES					
Restricted	-	-	-	-	6,786
Committed	-	227,596	84,125	46,980	-
Unassigned	-	-	-	-	-
Total fund balances	-	227,596	84,125	46,980	6,786
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ -	$ 243,728	$ 483,919	$ 150,083	$ 6,786

See independent auditor's report.

Special Revenue Funds							Total
Recycling	Park and Recreation Program	Strehlow Donation	Farmers Market	Community Vibes	Police Services	Debt Service	Nonmajor Governmental Funds
$ 718,777	$ 137,183	$ 90,357	$ 15,789	$ 2,184	$ 9,167	$ 281,863	$ 1,787,674
227,017	32,708	-	-	-	-	597,941	1,123,014
-	-	-	-	-	-	-	29,737
1,366	3,885	-	-	-	-	111	61,134
-	-	-	-	500	-	-	1,805
-	-	-	-	-	-	-	-
$ 947,160	$ 173,776	$ 90,357	$ 15,789	$ 2,684	$ 9,167	$ 879,915	$ 3,003,364
$ 15,197	$ 3,687	$ -	$ -	$ -	$ -	$ -	$ 70,105
-	-	-	-	-	-	-	653
-	-	-	-	-	-	-	36
-	-	-	-	-	9,167	-	87,102
15,197	3,687	-	-	-	9,167	-	157,896
329,680	47,500	-	-	-	-	868,347	1,630,873
-	-	-	-	-	-	-	3,838
-	-	-	-	-	-	-	-
329,680	47,500	-	-	-	-	868,347	1,634,711
-	-	90,357	15,789	2,684	-	11,568	127,184
602,283	122,589	-	-	-	-	-	1,083,573
-	-	-	-	-	-	-	-
602,283	122,589	90,357	15,789	2,684	-	11,568	1,210,757
$ 947,160	$ 173,776	$ 90,357	$ 15,789	$ 2,684	$ 9,167	$ 879,915	$ 3,003,364

Village of Brown Deer
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Special Revenue Funds				
	Grant Fund	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture
REVENUES					
Taxes	$ -	$ -	$ 385,346	$ -	$ -
Intergovernmental revenues	-	-	97,010	97,896	-
Licenses and permits	-	-	-	101,115	-
Public charges for services	-	-	32,362	16,868	-
Public improvement revenues	-	74,336	-	-	-
Intergovernmental charges for services	-	-	-	452,568	-
Commercial revenues	-	1,013	49,337	1,283	64
Total revenues	-	75,349	564,055	669,730	64
EXPENDITURES					
Current:					
Public safety	-	-	-	-	8,769
Public works	-	44,983	-	-	-
Health and human services	-	-	-	622,277	-
Culture, recreation, and education	-	-	544,618	-	-
Capital outlay	-	-	-	-	-
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	44,983	544,618	622,277	8,769
Excess (deficiency) of revenues over expenditures	-	30,366	19,437	47,453	(8,705)
OTHER FINANCING SOURCES					
Transfers in	632	-	-	-	-
Total other financing sources	632	-	-	-	-
Net change in fund balances	632	30,366	19,437	47,453	(8,705)
Fund balances (deficit) - beginning of year	(632)	197,230	64,688	33,698	15,491
Prior period adjustment	-	-	-	(34,171)	-
Fund balances (deficit) - beginning of year, restated	(632)	197,230	64,688	(473)	15,491
Fund balances - end of year	$ -	$ 227,596	$ 84,125	$ 46,980	$ 6,786

See independent auditor's report.

Special Revenue Funds							Total
Recycling	Park and Recreation Program	Strehlow Donation	Farmers Market	Community Vibes	Police Services	Debt Service	Nonmajor Governmental Funds
$ -	$ 47,500	$ -	$ -	$ -	$ -	$ 815,842	$ 1,248,688
43,769	30,747	-	-	-	-	-	269,422
-	-	-	-	-	-	-	101,115
331,280	120,050	-	-	-	-	-	500,560
-	-	-	-	-	-	-	74,336
-	-	-	-	-	-	-	452,568
13,996	26,546	-	5,904	9,945	73,333	571	181,992
389,045	224,843	-	5,904	9,945	73,333	816,413	2,828,681
-	-	-	-	-	73,333	-	82,102
299,874	-	-	-	-	-	-	344,857
-	-	-	-	-	-	-	622,277
-	218,888	5,021	4,951	9,746	-	-	783,224
-	769	-	-	-	-	-	769
-	-	-	-	-	-	680,755	680,755
-	-	-	-	-	-	183,272	183,272
299,874	219,657	5,021	4,951	9,746	73,333	864,027	2,697,256
89,171	5,186	(5,021)	953	199	-	(47,614)	131,425
-	-	-	-	-	-	-	632
-	-	-	-	-	-	-	632
89,171	5,186	(5,021)	953	199	-	(47,614)	132,057
513,112	117,403	95,378	14,836	2,485	-	59,182	1,112,871
-	-	-	-	-	-	-	(34,171)
513,112	117,403	95,378	14,836	2,485	-	59,182	1,078,700
$ 602,283	$ 122,589	$ 90,357	$ 15,789	$ 2,684	$ -	$ 11,568	$ 1,210,757

See independent auditor's report.

SPECIAL REVENUE FUNDS

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

NON-MAJOR FUNDS

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 contains accounts for the operation of the Public Library. The accounts are segregated from the General Fund because a significant portion of the Village Library revenues are derived from the Milwaukee County Federated Library System's reciprocal borrowing payment and the statutory authority of the Library Board over its expenditures.

North Shore Health Department Fund - This fund contains accounts for the operation of the North Shore Health Department. Funds are segregated in this special fund because significant portions of revenues are collected from other municipalities who share in the cost of operation of the department. The member municipalities are Bayside, Glendale, Fox Point, River Hills, Shorewood, Whitefish Bay and Brown Deer.

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

Recycling Fund - This fund provides for the receipt and disbursement of funds generated by user charges for the operation of the Village recycling center and contracted services for recycling.

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.

Strehlow Donation Fund - This fund was created when the Village Park & Recreation Department and the Village Library received funds from Naomi Strehlow to use on children's activities. This fund is used to account for the revenue and expenditures.

Brown Deer Farmers Market - This fund accounts for the operations of the Village of Brown Deer, Wisconsin's farmers market. Funds are segregated in this special fund to account for the revenues and expenditures of the Village of Brown Deer, Wisconsin's farmers market.

Community Vibes - This fund accounts for the operations of the Village of Brown Deer, Wisconsin's Community Vibes events. Funds are segregated in this special fund to account for the revenues and expenditures of the Village of Brown Deer, Wisconsin's Community Vibes events.

Policing Services – This fund accounts for policing services provided to Rogers Memorial Hospital as a result of a developer agreement between the Village and the Hospital.

Village of Brown Deer
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Special Assessments Fund			Library Fund		
	Original and Final Budget	**Actual**	**Variance with Final Budget**	**Original and Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES						
Taxes	$ -	$ -	$ -	$ 385,346	$ 385,346	$ -
Intergovernmental revenues	-	-	-	96,852	97,010	158
Licenses and permits	-	-	-	-	-	-
Public charges for services	-	-	-	24,900	32,362	7,462
Public improvement revenues	34,989	74,336	39,347	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Commercial revenues	650	1,013	363	43,500	49,337	5,837
Total revenues	35,639	75,349	39,710	550,598	564,055	13,457
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Public works	34,987	44,983	(9,996)	-	-	-
Health and human services	-	-	-	-	-	-
Culture, recreation, and education	-	-	-	535,095	544,618	(9,523)
Capital outlay	-	-	-	-	-	-
Total expenditures	34,987	44,983	(9,996)	535,095	544,618	(9,523)
Excess (deficiency) of revenues over expenditures	652	30,366	29,714	15,503	19,437	3,934
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	$ 652	30,366	$ 29,714	$ 15,503	19,437	$ 3,934
Fund balances (deficit) - beginning of year		197,230			64,688	
Prior period adjustment		-			-	
Fund balances (deficit) - beginning of year, restated		197,230			64,688	
Fund balances (deficit) - end of year		$ 227,596			$ 84,125	

See independent auditor's report.

Village of Brown Deer
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	North Shore Health Department Fund			Recycling Fund		
	Original and Final Budget	**Actual**	**Variance with Final Budget**	**Original and Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	136,400	97,896	(38,504)	40,000	43,769	3,769
Licenses and permits	104,974	101,115	(3,859)	-	-	-
Public charges for services	19,255	16,868	(2,387)	332,560	331,280	(1,280)
Public improvement revenues	-	-	-	-	-	-
Intergovernmental charges for services	447,936	452,568	4,632	-	-	-
Commercial revenues	-	1,283	1,283	17,700	13,996	(3,704)
Total revenues	708,565	669,730	(38,835)	390,260	389,045	(1,215)
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Public works	-	-	-	347,937	299,874	48,063
Health and human services	705,065	622,277	82,788	-	-	-
Culture, recreation, and education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	705,065	622,277	82,788	347,937	299,874	48,063
Excess (deficiency) of revenues over expenditures	3,500	47,453	43,953	42,323	89,171	46,848
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	$ 3,500	47,453	$ 43,953	$ 42,323	89,171	$ 46,848
Fund balances (deficit) - beginning of year		33,698			513,112	
Prior period adjustment		(34,171)			-	
Fund balances (deficit) - beginning of year, restated		(473)			513,112	
Fund balances (deficit) - end of year		$ 46,980			$ 602,283	

See independent auditor's report.

Village of Brown Deer
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Park and Recreation Program Fund		
	Original and Final Budget	**Actual**	**Variance with Final Budget**
REVENUES			
Taxes	$ 47,500	$ 47,500	$ -
Intergovernmental revenues	16,000	30,747	14,747
Licenses and permits	-	-	-
Public charges for services	131,339	120,050	(11,289)
Public improvement revenues	-	-	-
Intergovernmental charges for services	-	-	-
Commercial revenues	45,750	26,546	(19,204)
Total revenues	240,589	224,843	(15,746)
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	-	-	-
Health and human services	-	-	-
Culture, recreation, and education	235,505	218,888	16,617
Capital outlay	1,500	769	731
Total expenditures	237,005	219,657	17,348
Excess (deficiency) of revenues over expenditures	3,584	5,186	1,602
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	$ 3,584	5,186	$ 1,602
Fund balances (deficit) - beginning of year		117,403	
Prior period adjustment		-	
Fund balances (deficit) - beginning of year, restated		117,403	
Fund balances (deficit) - end of year		$ 122,589	

See independent auditor's report.

DEBT SERVICE FUND

NON-MAJOR FUND

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise fund debt.

Village of Brown Deer
Debt Service Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ 815,842	$ 815,842	$ -
Commercial revenues	500	571	71
Total revenues	816,342	816,413	71
EXPENDITURES			
Debt service:			
Principal	680,755	680,755	-
Interest and fiscal charges	135,087	183,272	(48,185)
Total expenditures	815,842	864,027	(48,185)
Net change in fund balances	$ 500	(47,614)	$ (48,114)
Fund balances - beginning of year		59,182	
Fund balances - end of year		$ 11,568	

See independent auditor's report.

CAPITAL PROJECT FUNDS

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

MAJOR FUNDS

TIF No. 2 Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

TIF No. 3 Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

TIF No. 4 Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan.

Capital Improvements Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the Capital Improvement Plan.

Village of Brown Deer
Capital Projects Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	TIF No. 2 Fund			TIF No. 3 Fund		
	Original and Final Budget	**Actual**	**Variance with Final Budget**	**Original and Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES						
Taxes	$ 884,264	$ 867,453	$ (16,811)	$ 429,976	$ 227,762	$ (202,214)
Intergovernmental revenues	483	1,860	1,377	700	2,696	1,996
Public improvement revenues	-	-	-	-	-	-
Commercial revenues	5,000	11,776	6,776	5,000	1,934,173	1,929,173
Total revenues	889,747	881,089	(8,658)	435,676	2,164,631	1,728,955
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Conservation and development	137,193	143,892	(6,699)	108,392	3,209,052	(3,100,660)
Capital outlay	5,000	1,058,885	(1,053,885)	-	-	-
Debt service						
Principal	400,000	400,000	-	230,000	230,000	-
Interest and fiscal charges	154,430	206,138	(51,708)	83,298	83,298	-
Total expenditures	696,623	1,808,915	(1,112,292)	421,690	3,522,350	(3,100,660)
Excess (deficiency) of revenues over expenditures	193,124	(927,826)	(1,120,950)	13,986	(1,357,719)	(1,371,705)
OTHER FINANCING SOURCES						
Proceeds on issuance of long-term debt	-	1,410,000	1,410,000	-	-	-
Total other financing sources	-	1,410,000	1,410,000	-	-	-
Net change in fund balances	$ 193,124	482,174	$ 289,050	$ 13,986	(1,357,719)	$ (1,371,705)
Fund balances (deficit) - beginning of year		330,330			1,365,084	
Fund balances (deficit) - end of year		$ 812,504			$ 7,365	

See independent auditor's report.

Village of Brown Deer
Capital Projects Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	TIF No. 4 Fund			Capital Improvements Fund		
	Original and Final Budget	**Actual**	**Variance with Final Budget**	**Original and Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES						
Taxes	$ 72,367	$ 70,991	$ (1,376)	$ 372,000	$ 372,000	$ -
Intergovernmental revenues	761	481,414	480,653	611,382	260,710	(350,672)
Public improvement revenues	-	-	-	-	-	-
Commercial revenues	2,000	-	(2,000)	5,400	6,098	698
Total revenues	75,128	552,405	477,277	988,782	638,808	(349,974)
EXPENDITURES						
Current:						
Public safety	-	-	-	210,679	120,949	89,730
Conservation and development	189,378	196,327	(6,949)	-	-	-
Capital outlay	-	-	-	2,295,295	1,223,853	1,071,442
Debt service						
Principal	256,050	256,050	-	-	79,255	(79,255)
Interest and fiscal charges	183,678	183,678	-	-	14,639	(14,639)
Total expenditures	629,106	636,055	(6,949)	2,505,974	1,438,696	1,067,278
Excess (deficiency) of revenues over expenditures	(553,978)	(83,650)	470,328	(1,517,192)	(799,888)	717,304
OTHER FINANCING SOURCES						
Proceeds on issuance of long-term debt	-	-	-	998,675	-	(998,675)
Total other financing sources	-	-	-	998,675	-	(998,675)
Net change in fund balances	$ (553,978)	(83,650)	$ 470,328	$ (518,517)	(799,888)	$ 717,304
Fund balances (deficit) - beginning of year		(1,467,379)			1,109,010	
Fund balances (deficit) - end of year		$ (1,551,029)			$ 309,122	

See independent auditor's report.

AGENCY FUND

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.

Village of Brown Deer
Agency Fund
Combining Statement of Changes in
Assets and Liabilities
Year Ended December 31, 2015

	Balance Beginning	Additions	Deletions	Balance Ending
Property Tax Fund				
Assets				
Cash and cash equivalents	$ 10,238,923	$ 6,445,041	$ 10,238,923	$ 6,445,041
Taxes receivable	10,667,772	14,286,585	10,667,772	14,286,585
Total	$ 20,906,695	$ 20,731,626	$ 20,906,695	$ 20,731,626
Liabilities				
Accounts payable and accrued liabilities	$ 61,779	$ 34,839	$ 61,779	$ 34,839
Due to other taxing units	20,844,916	20,696,787	20,844,916	20,696,787
Total	$ 20,906,695	$ 20,731,626	$ 20,906,695	$ 20,731,626

See independent auditor's report.

STATISTICAL SECTION

Net Position by Component
Last Ten Fiscal Years
Schedule 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (2)	2013	2014	2015
Governmental Activities										
Net investment in capital assets	$ 1,931,018	$ 4,507,883	$ 6,521,521	$ 7,896,810	$ 7,151,972	$ 7,745,484	$ 8,555,686	$ 8,676,378	$ 8,138,711	$ 9,738,615
Restricted	373,925	576,532	158,908	139,934	136,004	134,846	171,303	1,806,405	1,905,497	1,048,383
Unrestricted	47,583	212,582	(6,454,081)	(8,017,081)	(7,468,247)	(8,571,699)	(8,788,772)	(6,682,496)	(4,977,570)	(3,921,698)
Total governmental activities net position	$ 2,352,526	$ 5,296,997	$ 226,348	$ 19,663	$ (180,271)	$ (691,369)	$ (61,783)	$ 3,800,287	$ 5,066,638	$ 6,865,300
Business-type Activities										
Net investment in capital assets	$10,615,509	$ 10,732,537	$ 10,817,430	$ 11,324,970	$ 12,202,860	$ 12,438,719	$ 12,772,500	$ 12,860,819	$ 13,703,830	$ 12,291,770
Restricted	238,177	250,410	256,627	270,574	285,153	306,799	336,488	367,285	-	-
Unrestricted	1,303,419	1,766,429	2,414,521	2,719,583	2,006,739	2,206,903	2,502,804	2,498,666	2,546,370	3,500,153
Total business-type activities net position	$12,157,105	$ 12,749,376	$ 13,488,578	$ 14,315,127	$ 14,494,752	$ 14,952,421	$ 15,611,792	$ 15,726,770	$ 16,250,200	$ 15,791,923
Primary government										
Net investment in capital assets (1)	$12,546,527	$ 15,240,420	$ 17,338,951	$ 19,221,780	$ 19,354,832	$ 19,963,636	$ 21,114,209	$ 21,330,016	$ 21,842,541	$ 21,845,446
Restricted	612,102	826,942	415,535	410,508	421,157	441,645	507,791	2,173,690	1,905,497	1,048,383
Unrestricted	1,351,002	1,979,011	(4,039,560)	(5,297,498)	(5,461,508)	(6,144,229)	(6,071,991)	(3,976,649)	(2,431,200)	(236,606)
Total primary government net position	$14,509,631	$ 18,046,373	$ 13,714,926	$ 14,334,790	$ 14,314,481	$ 14,261,052	$ 15,550,009	$ 19,527,057	$ 21,316,838	$ 22,657,223

Notes
(1) The governmental activities net assets invested in capital assets, net of related debt noted above exclude portions of long-term debt that was used to purchase capital assets of the business-type activities. The total government-wide net assets invested in capital assets, net of related debt include this amount as capital related debt.
(2) Net Position restated in 2013 due to GASB 65 reclassifications, an OPEB restatement and a CVMIC restatement.

Changes in Net Position
Last Ten Fiscal Years
Schedule 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (2)	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	1,310,904	$ 1,428,147	$ 1,604,219	$ 1,399,299	$ 1,294,235	$ 1,344,051	$ 1,273,135	$ 1,551,039	$ 1,754,475	$ 1,627,637
Public Safety	5,297,075	5,840,005	6,027,981	6,085,914	5,871,990	6,440,420	6,695,189	6,313,518	6,428,471	6,378,649
Public Works	1,653,951	2,515,341	2,725,520	2,637,864	2,396,016	2,738,878	2,787,379	2,903,734	2,797,339	2,202,006
Health & Human Services	447,877	588,902	585,576	639,859	567,554	592,289	815,587	823,513	895,149	729,305
Culture, recreation & education	1,040,708	1,210,538	1,158,463	1,155,647	1,222,130	1,180,413	1,073,182	1,111,854	1,153,251	1,064,661
Conservation & development	2,893,011	252,903	5,188,719	1,153,886	926,179	836,638	272,050	131,899	96,966	4,740,085
Interest & Fiscal Charges	500,144	788,676	767,327	779,652	898,923	900,832	773,085	752,513	675,456	668,028
Total government activities expense	13,143,670	12,624,512	18,057,805	13,852,121	13,177,027	14,033,521	13,689,607	13,588,070	13,801,107	17,410,371
Business-type Activities:										
Water Utility	1,229,903	1,300,484	1,338,455	1,285,391	1,257,481	1,373,831	1,412,419	1,317,513	1,428,306	1,291,139
Storm Water Utility	821,892	559,051	586,526	696,986	516,569	544,299	544,483	580,123	585,368	867,019
Sewer Utility	1,119,759	871,343	1,271,182	1,113,731	1,480,800	1,423,391	1,272,097	1,640,202	1,410,184	1,637,421
Total business-type activities expense	3,171,554	2,730,878	3,196,163	3,096,108	3,254,850	3,341,521	3,228,999	3,537,838	3,423,858	3,795,579
Total Primary Government Expense	16,315,224	$ 15,355,390	$ 21,253,968	$ 16,948,229	$ 16,431,877	$ 17,375,042	$ 16,918,606	$ 17,125,908	$ 17,224,965	$ 21,205,950
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	204,027	$ 191,752	$ 170,454	$ 233,401	$ 224,517	$ 235,111	$ 499,387	$ 379,149	$ 370,437	$ 661,685
Public Safety	443,599	435,036	527,206	442,000	387,979	403,111	473,061	415,983	607,527	485,849
Public Works	200,380	226,919	260,905	422,678	341,960	375,275	423,741	374,993	370,938	339,427
Health & Human Services	234,260	237,158	295,159	260,891	263,814	433,146	459,251	588,915	589,352	189,750
Culture, Recreation & Education	332,176	317,169	314,188	302,632	310,925	306,447	286,574	134,982	140,759	297,546
Conservation & Development	-	-	59,169	9,500	-	-	-	-	-	7,000
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	851,256	742,801	782,055	753,316	759,543	686,607	864,150	947,594	379,976	1,000,103
Capital Grants and Contributions	1,600	113,339	69,751	1,166,530	39,700	181,220	83,475	1,488,274	363,815	98,920
Total governmental activities program revenues	2,267,298	2,264,174	2,478,887	3,590,948	2,328,438	2,620,917	3,089,639	4,329,890	2,822,804	3,080,280
Business-type activities:										
Charges for Services										
Water Utility	1,440,517	1,496,524	1,550,763	1,527,206	1,548,514	1,573,212	1,750,070	1,628,368	1,672,947	1,774,802
Storm Water Utility	801,376	761,600	756,703	753,407	756,220	898,483	884,737	1,002,088	914,845	1,008,163
Sewer Utility	976,764	951,261	1,191,308	1,226,339	1,295,464	1,310,263	1,398,628	1,351,461	1,566,191	1,534,534
Capital Grants and Contributions	659,425	125,041	510,239	579,555	6,840	227,012	91,176	-	30,196	117,307
Total business-type activities program revenues	3,878,082	3,334,426	4,009,013	4,086,507	3,607,038	4,008,970	4,124,611	3,981,917	4,184,179	4,434,806
Total Primary Government Program Revenues	6,145,380	$ 5,598,600	$ 6,487,900	$ 7,677,455	$ 5,935,476	$ 6,629,887	$ 7,214,250	$ 8,311,807	$ 7,006,983	$ 7,515,086
Net (Expense)/Revenue										
Governmental Activities	(10,876,372)	$ (10,360,338)	$ (15,578,918)	$ (10,261,173)	$ (10,848,589)	$ (11,412,604)	$ (10,599,968)	$ (9,258,180)	$ (10,978,303)	$ (14,330,091)
Business-type Activities	706,528	603,548	812,850	990,399	352,188	667,449	895,612	444,079	760,321	639,227
Total Primary Government Net Expense	(10,169,844)	$ (9,756,790)	$ (14,766,068)	$ (9,270,774)	$ (10,496,401)	$ (10,745,155)	$ (9,704,356)	$ (8,814,101)	$ (10,217,982)	$ (13,690,864)
General Revenues and Other changes in Net Position										
Governmental Activities:										
Property Taxes	7,589,400	$ 7,678,552	$ 8,107,615	$ 8,334,365	$ 8,764,225	$ 8,788,024	$ 9,307,851	$ 9,127,458	$ 9,204,538	$ 9,034,450
Hotel Room Taxes	532,554	562,272	594,277	433,152	476,934	492,759	504,958	580,404	589,710	613,636
Intergovt'l revenues not restr to spec progra	902,394	897,517	834,519	809,936	815,719	981,580	900,234	1,445,459	1,518,812	1,540,137
Investment Income	591,811	870,154	521,324	173,266	279,908	258,171	187,040	77,035	339,210	78,035
Miscellaneous	42,632	20,314	249,968	83,884	72,142	125,533	48,650	226,206	250,739	1,360,402
Gain on sale/disposal of capital assets	-	-	-	-	-	-	-	124,236	53,985	16,482
Special Item-Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers	170,036	178,658	200,566	219,885	239,727	255,439	280,821	297,558	287,660	1,761,141
Total Governmental Activities	9,828,827	10,207,467	10,508,269	10,054,488	10,648,655	10,901,506	11,229,554	11,878,356	12,244,654	14,404,283
Business-type Activities:										
Investment Income	143,982	167,381	126,918	56,035	67,164	45,659	44,580	28,999	48,019	41,363
Gain on sale/disposal of capital assets	-	-	-	-	-	-	-	3,502	2,750	45,301
Transfers	(170,036)	(178,658)	(200,566)	(219,885)	(239,727)	(255,439)	(280,821)	(297,558)	(287,660)	(1,761,141)
Total Business-type Activities	(26,054)	(11,277)	(73,648)	(163,850)	(172,563)	(209,780)	(236,241)	(265,057)	(236,891)	(1,674,477)
Total Primary Government	9,802,773	$ 10,196,190	$ 10,434,621	$ 9,890,638	$ 10,476,092	$ 10,691,726	$ 10,993,313	$ 11,613,299	$ 12,007,763	$ 12,729,806
Change in Net Position										
Governmental Activities	(1,047,545)	$ (152,871)	$ (5,070,649)	$ (206,685)	$ (199,934)	$ (511,098)	$ 629,586	$ 2,620,176	$ 1,266,351	$ 74,192
Business-type Activities	680,474	592,271	739,202	826,549	179,625	457,669	659,371	179,022	523,430	(1,035,250)
Total Primary Government	(367,071)	$ 439,400	$ (4,331,447)	$ 619,864	$ (20,309)	$ (53,429)	$ 1,288,957	$ 2,799,198	$ 1,789,781	$ (961,058)

Notes
(1) Past year's revenues and expenses have not been adjusted for restatements made in future years.
(2) Net Position restated in 2013 due to GASB 65 implementation, and restatements for OPEB and CVMIC equity investment.

Fund Balances, Governmental Funds
Last Ten Fiscal Years
Schedule 3

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	$ 41,813	$ 174,201	$ 218,234	$ 86,310	$ 499,848	$ -	$ -	$ -	$ -	$ -
Non-Spendable	-	-	-	-	-	416,993	64,112	1,319,557	1,476,882	1,561,726
Restricted	-	-	-	-	-	-	-	17,028	17,205	17,205
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	54,350	17,028	-	-	-
Unreserved	2,142,814	2,170,494	2,084,613	2,138,358	2,110,667	-	-	-	-	-
Unassigned	-	-	-	-	-	2,607,990	3,418,220	2,576,744	3,095,207	3,371,670
Total General Fund	2,184,627	2,344,695	2,302,847	2,224,668	2,610,515	3,079,333	3,499,360	3,913,329	4,589,294	4,950,601
All Other Governmental Funds										
Reserved	134,438	5,825,172	2,992,495	2,087,634	1,553,668	-	-	-	-	-
Non-Spendable	-	-	-	-	-	185,000	-	-	32,287	-
Restricted	-	-	-	-	-	5,077,401	5,391,888	3,531,736	3,024,197	1,031,178
Committed	-	-	-	-	-	458,644	565,055	726,188	861,443	1,308,570
Assigned	-	-	-	-	-	477,075	355,050	-	-	-
Unreserved, reported in:										
Special Revenue Funds	1,646,105	1,664,963	1,360,706	1,487,031	589,556	-	-	-	-	-
Capital Projects Funds	5,232,585	2,797,314	(902,435)	(15,661)	5,076,918	-	-	-	-	-
Unassigned, reported in:										
Special Revenue Funds	-	-	-	-	-	(631)	(631)	(631)	(632)	-
Capital Projects Funds	-	-	-	-	-	(381,245)	-	(1,170,007)	(1,467,379)	(1,551,029)
Total All Other Governmental Funds	7,013,128	10,287,449	3,450,766	3,559,004	7,220,142	5,816,244	6,311,362	3,087,286	2,449,916	788,719
Total Fund Balances	$ 9,197,755	$ 12,632,144	$ 5,753,613	$ 5,783,672	$ 9,830,657	$ 8,895,577	$ 9,810,722	$ 7,000,615	$ 7,039,210	$ 5,739,320

(1) 2006 data has been adjusted for the restatement made in 2007.
(2) The Village adopted GASB 54 in 2011 and this allowed more detailed designations in the Fund Balance category.

Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Schedule 4

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	$ 8,121,954	$ 8,240,825	$ 8,701,892	$ 8,767,517	$ 9,241,159	$ 9,280,783	$ 9,812,808	$ 9,707,862	$ 9,794,248	$ 9,648,087
Intergovernmental Revenues	1,633,872	1,724,335	1,807,380	1,791,978	1,647,442	1,893,141	1,886,372	1,948,525	2,055,432	2,341,237
Licenses & Permits	391,722	418,859	566,574	497,711	424,692	461,043	544,833	548,142	654,800	586,352
Fines, Forfeits, & Penalties	228,259	190,952	234,898	239,217	252,831	263,121	250,361	220,057	289,517	390,134
Charges for Services	462,718	461,167	402,427	598,940	522,458	511,019	566,363	539,128	531,423	531,368
Public Improvement Revenues	27,403	23,803	35,916	40,832	33,068	38,684	32,202	1,288,553	36,644	74,336
Interdepartmental charges for Services	150,976	132,697	185,704	381,808	721,695	695,883	759,625	769,718	775,389	-
Intergovernmental charges for Services	471,568	464,793	291,341	303,416	283,829	290,537	470,582	462,741	460,779	452,568
Commercial Revenues	695,436	896,673	640,312	309,663	333,581	431,476	351,035	254,153	392,581	2,401,584
Total Revenues	12,183,908	12,554,104	12,866,444	12,931,082	13,460,755	13,865,687	14,674,181	15,738,879	14,990,813	16,425,666
Expenditures										
Current										
General Government	1,304,354	1,289,577	1,312,184	1,429,045	1,392,821	1,482,937	1,510,800	1,499,031	1,422,910	1,339,605
Public Safety	5,043,607	5,360,445	5,689,106	5,597,110	5,630,157	5,743,693	5,960,230	6,188,928	6,227,041	6,423,754
Public Works	1,639,818	1,799,267	2,175,827	2,122,608	2,252,669	2,311,414	2,039,082	2,001,991	2,033,075	1,677,917
Health & Human Services	597,059	676,855	700,576	736,367	700,503	716,998	998,174	885,485	950,330	759,991
Culture, Recreation & Education	914,264	975,769	1,005,877	1,022,048	993,127	1,084,861	979,652	946,877	928,037	994,610
Conservation & Development	-	75,037	5,250,100	1,185,021	293,124	849,218	707,572	544,860	511,484	3,549,271
Other	-	-	-	-	-	-	-	-	-	-
Capital Outlay	4,964,572	1,861,175	1,173,198	715,254	1,777,563	1,684,905	1,597,908	3,612,243	2,980,518	2,283,507
Debt Service										
Principal	755,529	938,034	2,494,258	668,677	1,162,915	1,644,786	1,668,039	2,606,762	1,591,879	1,646,060
Interest & Fiscal Charges	353,132	726,209	847,924	748,479	805,618	1,080,744	926,444	704,866	648,720	671,025
Total Expenditures	15,572,335	13,702,368	20,649,050	14,224,609	15,008,497	16,599,556	16,387,901	18,991,043	17,293,994	19,345,740
Excess of Revenues Over/(Under) Expenditures	(3,388,427)	(1,148,264)	(7,782,606)	(1,293,527)	(1,547,742)	(2,733,869)	(1,713,720)	(3,252,164)	(2,303,181)	(2,920,074)
Other Financing Sources/(Uses)										
Transfers In	463,866	752,206	1,366,041	233,485	1,296,079	255,439	312,669	297,558	287,660	306,201
Transfers Out	(293,830)	(573,548)	(1,165,475)	(13,600)	(1,056,352)		(31,848)	-	(90,000)	(90,632)
Debt										
General obligation debt issued	7,573,961	3,355,000	690,000	1,474,439	5,355,000	1,532,000	6,605,778	-	2,025,000	1,410,000
Premium on debt issued	-	6,392	-	5,174	-	4,473	66,063	-	39,117	-
Refunded general Obligation Debt	-	-	-	(375,912)	-	-	-	-	-	-
Payment of Unfunded pension liability	-	-	-	-	-	-	-	-	-	-
Payment to Fiscal Agent	-	-	-	-	-	-	(4,323,797)			-
Sale of Capital Assets	26,289	37,050	13,509	-	-	6,878	-	144,499	79,999	28,786
Total Other Financing Sources/(Uses)	7,770,286	3,577,100	904,075	1,323,586	5,594,727	1,798,790	2,628,865	442,057	2,341,776	1,654,355
Net Change in Fund Balances	4,381,859	2,428,836	(6,878,531)	30,059	4,046,985	(935,079)	915,145	(2,810,107)	38,595	(1,265,719)
Debt Service as a % of noncapital expenditures	10.45%	14.05%	17.16%	10.49%	14.88%	18.27%	17.54%	21.53%	15.65%	13.58%

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

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
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	6.90	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	7.19	1,128,003,400	97.64%
2010	631,732,000	316,076,000	28,707,500	2,000	29,048,500	1,005,566,000	7.99	1,074,804,200	93.56%
2011	632,156,200	314,500,100	28,591,300	2,000	25,822,300	1,001,071,900	8.16	1,038,140,200	96.43%
2012	552,872,916	310,728,300	28,373,100	1,900	25,567,800	917,544,016	8.85	962,776,000	95.30%
2013	550,381,100	308,353,500	29,108,900	1,900	25,815,500	913,660,900	8.95	927,162,600	98.54%
2014	550,668,800	299,329,600	27,661,000	2,000	32,821,500	910,482,900	8.99	942,430,400	96.61%
2015**	532,419,300	305,927,600	27,450,700	1,700	33,562,800	899,362,100	9.27	899,594,200	99.97%

Source: Wisconsin Department of Revenue
*Note: Total Taxable Assessed Value does not include tax exempt properties; Tax exempt properties are not assigned values.
**The Village conducted a Village-wide property re-vaulation in which all properties were reassessed.

Direct and Overlapping Property Tax Rates
(per $1,000 of assessed valuation)
Last Ten Fiscal Years
Table 6

		Direct Rates								Overlapping Rates						
Tax Year	Collection Year	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 Metro Sewage Distr	State of Wisconsin	State Tax Credit	Net Tax Rate
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	5.54	0.21	0.09	0.06	0.35	0.65	-	6.90	12.03	1.88	4.07	1.33	0.17	(1.95)	24.43
2009	2010	5.86	0.21	0.09	0.05	0.35	0.64	-	7.19	12.65	1.96	4.25	1.36	0.17	(1.98)	25.60
2010	2011	6.48	0.34	-	0.05	0.38	0.74	-	7.99	13.65	2.05	4.75	1.54	0.18	(2.18)	27.98
2011	2012	6.55	0.35	-	0.05	0.38	0.83	-	8.16	13.95	2.02	4.89	1.57	0.18	(2.19)	28.58
2012	2013	7.08	0.39	-	0.05	0.42	0.91	-	8.85	15.16	2.22	5.29	1.71	0.18	(2.34)	31.07
2013	2014	7.18	0.41	-	0.05	0.42	0.89	-	8.95	15.28	2.16	5.21	1.73	0.17	(2.32)	31.18
2014	2015	7.21	0.41	-	0.05	0.42	0.89	-	8.98	15.28	1.31	5.28	1.77	0.18	(2.33)	30.47
2015	2016	7.36	0.44	-	0.06	0.45	0.96	-	9.27	15.76	1.26	5.13	1.74	0.17	(2.68)	30.65

Source: Village of Brown Deer Adopted Budget

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

		2015			2006		
Taxpayer	Type of Business	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brown Deer Center LLC	Property Mgmt	$ 19,794,400	1	2.20%	$ 13,839,400	4	1.55%
Burnham 4401 LTD	Property Mgmt	15,196,000	2	1.69%			
Brown Deer Market WI LLC	Property Mgmt	13,897,500	3	1.54%	21,831,200	1	2.44%
FIS (Fidelity Information Systems)	Data Processing	12,400,000	4	1.38%	20,803,461	2	2.32%
Walmart	Retail	11,985,000	5	1.33%	-		
North Pointe Apartments Ltd.	Rental Property	11,528,000	6	1.28%	11,480,800	5	1.28%
River Place Apartments LLC	Property Mgmt	10,500,000	7	1.17%	10,475,810	7	1.17%
Community Television (WITI TV 6)	Television Station	8,306,200	8	0.92%	11,186,771	6	1.25%
Park Plaza Apartments	Property Mgmt	7,980,000	9	0.89%	-		
Brook Lane Apartments	Property Mgmt	7,295,500	10	0.81%	8,993,497	10	1.00%
Mutual Savings Bank	Financial Institution				9,385,032	9	1.05%
Deer Run Apartments	Property Mgmt				14,254,886	3	1.59%
Brown Deer Business Park-WI TWO, LLC	Property Mgmt				9,950,900	8	1.11%
Total		83,892,200		13.21%	118,362,357		14.76%

(a) Based on total Assessed Value

2006	895,581,981
2015	899,825,200

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

Property Tax Levies and 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
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%	9,743	8,321,895	99.96%
2009	2010	8,764,224	8,746,849	99.80%	12,845	8,759,694	99.95%
2010	2011	8,788,023	8,779,240	99.90%	6,240	8,785,480	99.97%
2011	2012	9,305,950	9,301,960	99.96%	2,931	9,304,891	99.99%
2012	2013	9,102,050	9,099,106	99.97%	1,803	9,100,909	99.99%
2013	2014	9,201,537	9,042,583	98.27%	1,803	9,044,386	98.29%
2014	2015	9,032,950	8,884,494	98.36%	1,537	8,886,031	98.37%
2015	2016	9,301,172	*	0.00%	*		0.00%

* Note : Data for the 2016 Collection Year is not yet available.

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 General Bonded Debt to Equalized Property Value	Population	Net General Bonded Debt Per Capita
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
2010	22,641,828	17,009	22,624,819	1,074,804,200	2.11%	11,690	1,935.40
2011	23,807,985	21,766	23,786,219	1,038,140,200	2.29%	11,999	1,982.35
2012	24,758,575	104,491	24,654,084	962,776,000	2.56%	12,065	2,043.44
2013	22,140,050	58,465	22,081,585	927,162,600	2.38%	12,086	1,827.04
2014	24,468,109	59,182	24,408,927	942,430,400	2.59%	12,102	2,016.93
2015	23,679,658	11,568	23,668,090	899,594,200	2.63%	12,217	1,937.31

Ratios of Outstanding Debt by Type
Last Ten Years
Table 10

	Governmental Activities				Business Activities			
Fiscal Year	General Obligation Bonds/Notes	Anticipation Notes	Notes Payable to Other Municipalities	Tax Increment Project Revenue Bonds Payable	General Obligation Bonds/Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2006	$ 11,034,872	$ 1,675,000	$ 1,244,522	$ 75,000	$ 4,866,722	$ 18,896,116	N/A	$ 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	1.96%	1,696.56
2010	18,272,424	-	983,202	-	4,369,405	23,625,031	1.77%	2,020.96
2011	18,228,206	-	914,633	-	4,665,146	23,807,985	2.06%	1,984.16
2012	19,571,639	-	862,093	-	4,920,223	25,353,955	2.39%	2,101.45
2013	17,039,677	-	787,293	-	4,313,080	22,140,050	2.02%	1,831.88
2014	17,551,163	-	708,928	-	6,046,685	24,306,776	2.89%	2,008.49
2015	18,107,577	-	629,673	-	5,572,081	24,309,331	*	1,989.80

Source: Wisconsin Departments of Revenue and Administration
* Note : Data for 2015 Personal Income is not yet available.

Legal Debt Margin Information
Last Ten Years
Table 11

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Value of Real and Personal Property	$ 1,075,292,200	$ 1,138,992,600	$ 1,144,172,900	$ 1,128,003,400	$ 1,074,804,200	$ 1,038,140,200	$ 962,776,000	$ 927,162,600	$ 942,430,400	$ 899,594,200
General Obligation Debt Limit	**53,764,610**	**56,949,630**	**57,208,645**	**56,400,170**	**53,740,210**	**51,907,010**	**48,138,800**	**46,358,130**	**47,121,520**	**44,979,710**
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes										
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	17,576,597	19,820,280	18,815,943	18,876,538	22,641,828	23,807,985	24,758,575	22,140,050	24,468,109	23,679,658
Less: Amount Available for Financing GO Debt	124,438	36,320	21,793	30,797	17,009	21,766	104,491	58,465	59,182	11,568
Net O/S GO Debt Applicable to Debt Limitation	**17,452,159**	**19,783,960**	**18,794,150**	**18,845,741**	**22,624,819**	**23,786,219**	**24,654,084**	**22,081,585**	**24,408,927**	**23,668,090**
Legal margin for New Debt	**$ 36,312,451**	**$ 37,165,670**	**$ 38,414,495**	**$ 37,554,429**	**$ 31,115,391**	**$ 28,120,791**	**$ 23,484,716**	**$ 24,276,545**	**$ 22,712,593**	**$ 21,311,620**
Total net debt applicable to the limit as a percentage of debt limit	32.46%	34.74%	32.85%	33.41%	42.10%	45.82%	51.21%	47.63%	51.80%	52.62%

Computation of Direct, Overlapping, and Underlying Debt
As of December 31, 2015
Table 12

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village	$ 18,107,577	100%	$ 18,107,577
Milwaukee Area Technical College	152,570,000	1.34%	2,044,438
Milwaukee County	662,419,246	1.65%	10,929,918
Brown Deer School District	28,976,066	100%	28,976,066
Milwaukee Metropolitan Sewage District	946,756,819	1.68%	15,905,515
Total Overlapping	1,790,722,131		57,855,936
Total Direct and Overlapping Debt	$ 1,808,829,708		$ 75,963,513

Source: Prior year's Village Bond Issuance
Note: Overlapping governments are those that correspond with the geographic boundaries of the Village. The overlapping portion of debt is calculated by estimating the portion of outstanding debt of these overlapping governments that is the responsibility of the taxpayers of the Village through the taxes levied by these government agencies.

Demographic and Economic Statistics
Last Ten Years
Table 13

Year	Population	Adjusted Gross Income	Adjusted Gross Income per Return: Village of Brown Deer	Adjusted Gross Income per Return: Milwaukee County	Adjusted Gross Income per Return: State of Wisconsin	Annual Average Unemployment Rates: Milwaukee County	Annual Average Unemployment Rates: State of Wisconsin
2006	11,750	N/A	N/A	N/A	N/A	5.70%	4.70%
2007	11,715	269,124,482	48,049	43,390	48,985	5.90%	4.90%
2008	11,705	260,643,494	47,227	43,557	47,046	6.50%	5.80%
2009	11,720	247,895,969	45,670	41,704	45,370	9.30%	8.50%
2010	11,690	246,836,267	46,485	41,932	46,958	10.00%	8.70%
2011	11,999	226,111,060	46,320	42,830	47,640	9.30%	7.80%
2012	12,065	205,897,980	45,630	44,460	49,900	8.60%	7.00%
2013	12,090	213,382,780	46,510	45,620	50,670	8.40%	6.70%
2014	12,160	209,394,290	47,480	45,980	52,050	6.90%	5.40%
2015	12,217	**	**	**	**	5.80%	4.60%

Source: Adjusted Gross Income from the Wisconsin Department of Revenue
Population from the Wisconsin Department of Administration
Unemployment rates from the Wisconsin Department of Workforce Development

**Data not yet available for 2015

Principal Employers
Current Year
Table 14

		2006			2014		
Employer	Type of Business	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
FIS (Fidelity Information Systems)	Data Processing	1,125	1	0.26%	2,700	1	0.59%
Signicast	Manufacturer of Ferrous investment castings	-		0.00%	685	2	0.15%
Badger Meter	Water Meter Manufacturing	483	3	0.11%	530	3	0.12%
MILSCO Manufacturing	Manufacturer of Office Chairs	-		0.00%	481	4	0.10%
Guaranty Bank *	Savings Institutions	578	2	0.13%	375	5	0.08%
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%
Kohl's *	Department Store	175	10	0.04%	-		0.00%
TAPCO *	Electrical Apparatus & Equipt. Wholesalers	-		0.00%	-		0.00%
Sheraton Milwaukee North *	Hotel	175	8	0.04%	-		0.00%
Village of Brown Deer	Government	100	12	0.02%	-		0.00%
Pick 'n Save *	Supermarkets	175	7	0.04%	-		0.00%
GB Home Equity *	Sales Financing	175	9	0.04%	-		0.00%
Total		3,662		0.85%	5,958		1.30%

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 CAFR's, 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.

Various Statistics
Last Ten Years
Table 15

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Village Employees										
General Government										
Village Manager	2	3	3	3	3	3	2	3	3	3
Administration	5	5	4	5	5	5	5	4	4	4
Court	2	2	1	2	2	2	1	2	2	2
Health	8	8	7	7	7	6	8	8	8	8
Library	18	16	17	18	16	13	14	14	16	9
Parks and Recreation	4	4	4	3	3	2	3	3	3	3
Water Utility	3	3	3	3	3	3	2	2	2	2
Public Works	13	13	13	12	12	11	10	12	12	13
Public Safety										
Police	38	38	35	37	36	33	34	33	35	35
Community Services										
Engineering	3	3	3	3	3	2	2	2	2	2
Inspection/Maintenance	4	3	3	3	3	2	2	2	2	3
Total	100	98	93	96	93	82	83	85	89	84
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	6	6	6	6	6	6	6	6	6
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Parks & Recreation										
Number of Parks	3	3	3	3	3	3	3	3	3	3
Acreage of parkland	17	17	17	17	17	17	17	17	17	17
Water Utility										
Miles of Water Main	67	68	68	68	68	68	68	68	68	68
Number of Hydrants	663	665	669	671	671	671	672	672	672	672
Daily Average Consumption (gallons)	1,339,416	1,246,918	1,365,178	1,297,893	1,260,553	1,369,148	1,442,126	1,119,688	1,250,000	1,500,000
Wastewater Utility										
Miles of Sanitary Sewer	51	51	51	51	51	51	53	53	53	53
Miles of Storm Sewer	10	10	10	10	10	10	16	17	17	17

(a) Various departments within the Village provided the information shown above.

Operating Indicators by Program/Function
Ten Year Trend
Table 16

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Calls for Service	**	**	**	**	**	**	**	15,086	13,250	13,515
Cases Generated	*	*	*	*	*	*	*	*	*	1,760
Parking Citations	1,172	1,441	1,158	886	1,268	800	1,076	1,112	841	1,094
Enforcement Actions										
Traffic Related	3,610	4,525	3,573	4,767	3,719	4,361	3,566	4,094	3,075	4,336
Ordinance	*	*	*	*	*	*	*	*	*	805
Custodial Arrest	*	*	*	*	*	*	*	*	*	148
Physical Arrests	850	984	850	922	884	950	684	598	738	*
Complaints	1,364	1,649	1,536	1,486	1,407	1,503	1,537	1,521	1,752	*
Prisoner Handling	494	369	282	323	224	310	304	242	*	*
General Government										
Building Permits Issued	281	293	309	328	209	206	170	242	257	258
Library										
Registered Users	7,300	7,559	6,833	7,370	7,714	8,011	8,322	8,634	8,950	9,212
Circulation Transactions	265,246	240,995	250,126	247,649	241,399	222,383	218,980	198,645	195,278	184,827
Park and Recreation										
Recreation Programs	83	86	122	112	101	100	95	90	95	98
Recreation Program Registration	2,737	2,513	2,933	2,686	2,421	3,003	2,577	1,935	1,959	2,256
Pond Attendance	9,590	8,018	7,238	7,048	9,391	9,215	10,375	6,115	4,862	5,855
Water Utility										
Number of Customers	3,792	3,795	3,789	3,817	3,825	3,829	3,736	3,739	3,735	3,731
Gallons Sold (millions)	488,879	455,125	455,405	428,322	425,090	427,673	469,538	408,686	411,828	410,770
Public Fire Protection Serv Customers	3,495	3,531	3,544	3,562	3,571	3,575	3,579	3,580	3,586	3,585
Northshore Health Department										
Blood Pressure Screenings	351	467	357	195	123	132	267	65	73	206
Immunizations	661	569	819	623	598	682	772	883	658	761
Restaurant Inspections (BD Only)	-	109	81	87	78	80	130	116	154	147

(a) Various Village departments provided the information shown above.
(b) Traffic Citations includes those along with Written Warnings & Certificate of Correction Citations.
* Prisoner Handling is no longer tracked
** Calls for Service (not prviously reported)