



**Milwaukee County, Wisconsin
Comprehensive Annual Financial Report
As of and For the Year Ended
December 31, 2017**

VILLAGE OF BROWN DEER, WISCONSIN

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by
The Office of the Treasurer/Comptroller

Susan Hudson
Treasurer/Comptroller

Michael Hall
Village Manager

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INTRODUCTORY SECTION

VILLAGE OF BROWN DEER

DIRECTORY OF OFFICIALS
December 31, 2017

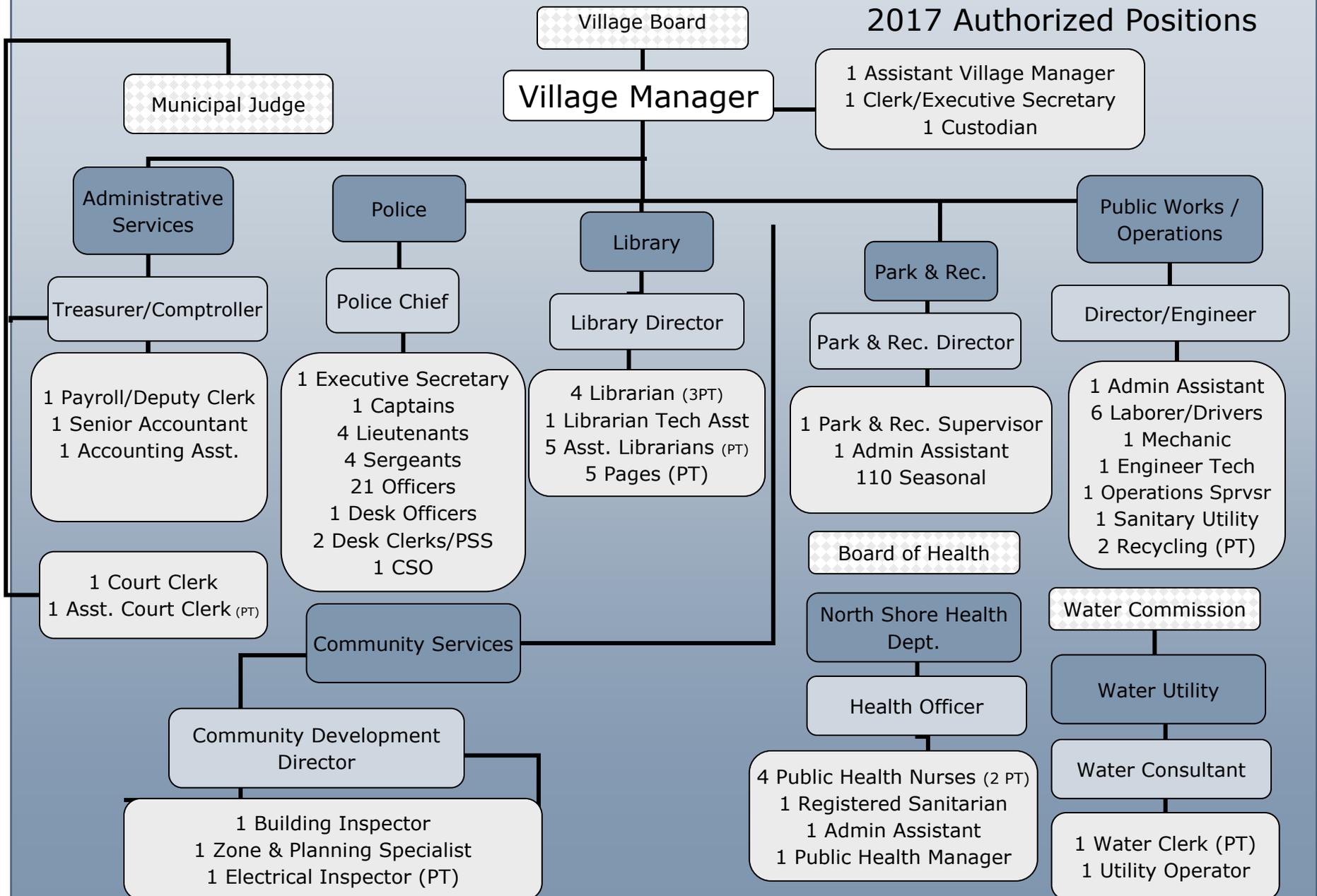
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term</u>
Carl F. Krueger	Village President	April, 2019
Jeff Baker	Village Trustee	April, 2019
Julie Cook	Village Trustee	April, 2020
Robert W. Oates	Village Trustee	April, 2018
Timothy D. Schilz	Village Trustee	April, 2018
Gary R. Springman	Village Trustee	April, 2019
Courtney Wedward	Village Trustee	April, 2020
Christopher R. Lipscomb	Municipal Judge	April, 2021

Administrators

<u>Name</u>	<u>Title</u>	<u>Term</u>
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
Dana Andersen-Kopczyk	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





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, 2016

Christopher P. Morill

Executive Director/CEO



September 12, 2018

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, 2017, 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 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, 2017, 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, 2017, 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 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. Because 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 2017, Milwaukee County had an unemployment rate of 3.4% compared to the State of Wisconsin at 3.0%. 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 2016 of \$47,343.

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 2017 increment in each TID and the increase or decrease from 2016.

Tax Incremental Financing District #2, formed in 1995, generated a value of \$38,346,800 in 2017, an increase of \$9,765,400 from the 2016 value. 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 TID #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 were actively marketed for redevelopment but in two years there was limited interest. The Village also acquired the former Lighthouse of Brown Deer at 7909-11 N. 47th to promote this redevelopment and help facilitate Lighthouse’s growth in TID #3 (60th and Brown Deer road). With the lack of development interest, the Village identified a buyer in late 2017 and sold the property for use once again as an assisted living facility

The Tax Incremental Financing District #3, formed in 2005, generated a value of \$47,216,000 in 2017, a decrease of (\$7,945,500) from the 2016 value. 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 the Beaver Creek Condo project was sold to New Perspectives Senior Living who received approval to build a 133-bed senior living and memory care apartment facility on the remaining undeveloped land of the halted condominium development. The plan included utilizing the 10 existing townhome condos as part of the senior development. The project began in 2015 and was completed by mid-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 were approved in July 2015. PAK (calling their redevelopment “American Distribution”) reopened the former retail building in Fall of 2015 and ALDI built a new store on the southeast corner of the site which opened in late 2016. Along with these two projects a regional Village owned storm-water management facility was created on a second out-lot in the southwest corner of the site.

The Tax Incremental Financing District #4, formed in 2005, generated a value of \$19,176,700 in 2017, an increase of \$360,400 from 2016 value. 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. In 2016 the Village purchased the former Bella landscape business at 8655 N. 43rd Street and subsequent sold it to CJB LLC. for renovation as an office and personal training studio. Solful Fitness now occupied 50% of the space. Future projects within TID #4 may include the redevelopment of the vacant Shoreland Church property and the relocation and redevelopment of the Brown Deer Public works yard.

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 67.7%.

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 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, 2016. This was the eighteenth (18th) 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

FINANCIAL SECTION

13400 Bishops Lane, Suite 300
Brookfield, WI 53005
262.754.9400

SIKICH.COM

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, 2017, 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, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 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, the combining and individual fund financial statements and schedules, and the 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 combining and individual fund financial statements and schedules 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, 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 12, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**



MANAGEMENT'S DISCUSSION AND ANALYSIS As of and For the Year Ended December 31, 2017

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, 2017. 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, 2017, by \$21,008,656 (*net position*). The Village reported deficit unrestricted governmental activities net position of (\$9,981,071) and unrestricted business-type activities net position of \$4,060,234. During the current year, the Village's net position increased by \$962,377.
- As of December 31, 2017, the Village of Brown Deer's governmental funds reported combined ending fund balances of \$3,373,103, a decrease of (\$1,950,917) in comparison with the prior year. At the end of 2017, there is \$3,097,681 *available for spending* at the government's discretion (*unassigned fund balance*.)
- As of December 31, 2017, the unassigned fund balance for the general fund was \$3,097,681 or 34.42% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt decreased by (\$1,956,282) during 2017.

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.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2017

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 26-27 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 22,347,069	\$ 16,184,735	\$ 7,307,614	\$ 5,458,341	\$ 29,654,683	\$ 21,643,076
Capital assets	18,105,876	17,366,290	17,227,422	17,408,840	35,333,298	34,775,130
Total assets	40,452,945	33,551,025	24,535,036	22,867,181	64,987,981	56,418,206
Deferred outflows of resources	2,868,421	3,542,820	90,097	220,152	2,958,518	3,762,972
Long-term debt outstanding	19,435,500	21,192,769	5,418,042	5,883,132	24,853,542	27,075,901
Other liabilities	9,015,248	1,479,014	2,510,611	561,164	11,525,859	2,040,178
Total liabilities	28,450,748	22,671,783	7,928,653	6,444,296	36,379,401	29,116,079
Deferred inflows of resources	10,666,865	10,921,441	109,915	96,562	10,776,780	11,018,003
Net position:						
Net investment in capital assets	13,284,814	12,820,500	12,744,668	12,657,986	26,029,482	25,478,486
Restricted	900,011	1,573,881	-	77,706	900,011	1,651,587
Unrestricted (deficit)	(9,981,071)	(10,894,577)	4,060,234	3,810,783	(5,920,837)	(7,083,794)
Total net position	<u>\$ 4,203,754</u>	<u>\$ 3,499,804</u>	<u>\$ 16,804,902</u>	<u>\$ 16,546,475</u>	<u>\$ 21,008,656</u>	<u>\$ 20,046,279</u>

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2017

Governmental Activities

Current and other assets for governmental activities primarily represent cash, investments, taxes receivable and land held for resale. Current and other assets increased in 2017 by \$6,162,334, this is due to increase in cash on hand.

Long-term debt outstanding decreased in 2017 by \$1,757,269, this is due to refunding of General Obligation Bond. Other liabilities represent accounts payable, accrued payroll liabilities, deposits and unearned revenues. There was an increase of \$7,536,233 to other liabilities due to the notes payable issued for the new Public Works building

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, 2017, none 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 increase in unrestricted net position of (\$913,506). When unrestricted resources are substrate, the Village's Net Investment in Capital Assets increases and resources remaining for unrestricted net position then decrease.

Business-type Activities

Business-type activities Current and Other Assets consist of cash, investments and receivables. Current and Other Assets increased by \$1,849,273 in the current year. This increase was due to increase in cash on hand. The total capital assets in 2017 decreased by (\$181,418) due to less funds due accounts receivables.

Long-term debt outstanding decreased in 2017 by (\$465,090), this is due to refunding of General Obligation Bonds. Other Liabilities for Governmental and Business-type Activities include accounts payable, accrued interest payable, special deposits and unearned revenue. Other Liabilities increased by \$1,949,447, due to the notes payable issued for the new Public Works Building.

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).

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

The table below summarizes the statement of activities for 2016 and 2017. Explanations for significant increases or decreases are given following the table.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for Services	\$ 2,044,041	\$ 2,121,211	\$ 4,852,917	\$ 4,789,975	\$ 6,896,958	\$ 6,911,186
Operating grants and contributions	1,114,547	1,147,705	-	-	1,114,547	1,147,705
Capital grants and contributions	83,950	53,098	-	-	83,950	53,098
General revenues:						
Property taxes	9,299,564	9,301,172	-	-	9,299,564	9,301,172
Other taxes	668,949	631,186	-	-	668,949	631,186
Other general revenues	1,594,219	1,458,448	51,325	6,147	1,645,544	1,464,595
Total revenues	<u>14,805,270</u>	<u>14,712,820</u>	<u>4,904,242</u>	<u>4,796,122</u>	<u>19,709,512</u>	<u>19,508,942</u>
Expenses						
General government	1,819,991	1,739,455	-	-	1,819,991	1,739,455
Public Safety	6,745,102	7,219,626	-	-	6,745,102	7,219,626
Public Works	2,554,014	2,666,185	-	-	2,554,014	2,666,185
Health and Human Services	858,439	916,806	-	-	858,439	916,806
Culture, recreation and education	1,184,464	1,255,017	-	-	1,184,464	1,255,017
Conservation and development	676,192	3,862,232	-	-	676,192	3,862,232
Interest and fiscal charges	548,684	696,339	-	-	548,684	696,339
Water	-	-	1,560,139	1,355,672	1,560,139	1,355,672
Storm Water	-	-	1,039,349	970,326	1,039,349	970,326
Sanitary Sewer	-	-	1,760,761	1,409,949	1,760,761	1,409,949
Total expenses	<u>14,386,886</u>	<u>18,355,660</u>	<u>4,360,249</u>	<u>3,735,947</u>	<u>18,747,135</u>	<u>22,091,607</u>
Increase (decrease) in net position before transfers	418,384	(3,642,840)	543,993	1,060,175	962,377	(2,582,665)
Transfers	285,566	305,623	(285,566)	(305,623)	-	-
Changes in net position	<u>703,950</u>	<u>(3,337,217)</u>	<u>258,427</u>	<u>754,552</u>	<u>962,377</u>	<u>(2,582,665)</u>
Net position - Beginning of year	3,499,804	6,865,300	16,546,475	15,791,923	20,046,279	22,657,223
Prior Period Adjustment	-	(28,279)	-	-	-	(28,279)
Net position - End of year	<u>\$ 4,203,754</u>	<u>\$ 3,499,804</u>	<u>\$ 16,804,902</u>	<u>\$ 16,546,475</u>	<u>\$ 21,008,656</u>	<u>\$ 20,046,279</u>

Significant Changes in Governmental Activities

Governmental activities increased the Village of Brown Deer's net position by \$703,950, while the Business-type activities increased net position by \$258,427. The change in net position for governmental activities increased from 2016 to 2017 due mainly to decrease in expenses. The change in net position for Business-type activities decreased significantly from 2016 to 2017 primarily due to the increase in expenses in sanitary sewer. Other individual increases/decreases to revenues and expenses are described below.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2017

Governmental Activities - Revenues

Program revenues are those revenues that can be directly related to an 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 2016 and 2017.

	Governmental Activities			
	2017	2016	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 2,044,041	\$ 2,121,211	\$ (77,170)	-3.64%
Operating grants and contributions	1,114,547	1,147,705	(33,158)	-2.89%
Capital grants and contributions	83,950	53,098	30,852	58.10%
General revenues:				
Property taxes	9,299,564	9,301,172	(1,608)	-0.02%
Other taxes	668,949	631,186	37,763	5.98%
Other general revenues	1,594,219	1,458,448	135,771	9.31%
Total revenues	\$ 14,805,270	\$ 14,712,820	\$ 92,450	0.63%

Charge for services decreased by (\$77,170) in 2017, not any one mainly item just less revenue from the pond due to weather, less enrollment in recreation programs.

Operating grants and contributions decreased from 2016 to 2017 by (\$33,158). The increase is primarily due to Health Department grant decreases for Immunization, Ebola, Public Health Preparedness and NACCHO and Transportation Aids received from the state to fund operating

Capital grants and contributions increased by \$30,852 from 2016. The increase was mainly due to capital contributions received in 2017 that did not occur in 2016

Other general revenues increased \$135,771 from 2016. The main reason was the buy-out of the cell tower at Village Hall.

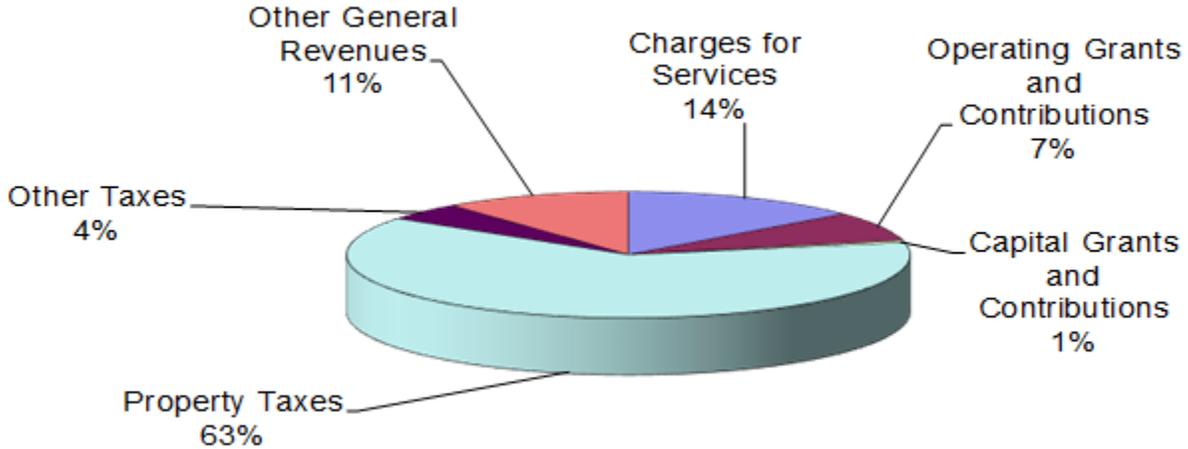
The State of Wisconsin caps local municipal property tax increases by a growth factor based on the municipality's economic growth and the increase in debt service payments. This cap does not apply to property taxes levied for tax incremental financing districts. The levy for TIF districts is based on the tax levy of all overlapping taxing units and the increase in TIF property value.

As identified above and on the chart below, property taxes are the largest revenue source for the Village's Governmental Activities category accounting for 63% 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.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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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 2016 and 2017 expenses; the reasons for significant changes are addressed following the table.

Expenses	2017	2016	Change	% Chg
General government	\$ 1,819,991	\$ 1,739,455	\$ 80,536	4.63%
Public safety	6,745,102	7,219,626	(474,524)	-6.57%
Public works	2,554,014	2,666,185	(112,171)	-4.21%
Health and human services	858,439	916,806	(58,367)	-6.37%
Culture, recreation and education	1,184,464	1,255,017	(70,553)	-5.62%
Conservation and development	676,192	3,862,232	(3,186,040)	-82.49%
Interest and fiscal charges	548,684	696,339	(147,655)	-21.20%
Total expenses	<u>\$ 14,386,886</u>	<u>\$ 18,355,660</u>	<u>\$ (3,968,774)</u>	<u>-21.62%</u>

General government expenses increased \$80,536 compared to 2016. This can be attributed increase in wages and benefits.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

Public safety decreased expenses over 2016 by (\$474,524) due to North Shore Fire Department and Dispatch Services operating and capital cost.

Public works decreased expenses by (\$112,171) due mainly due to the cost of wages and benefits.

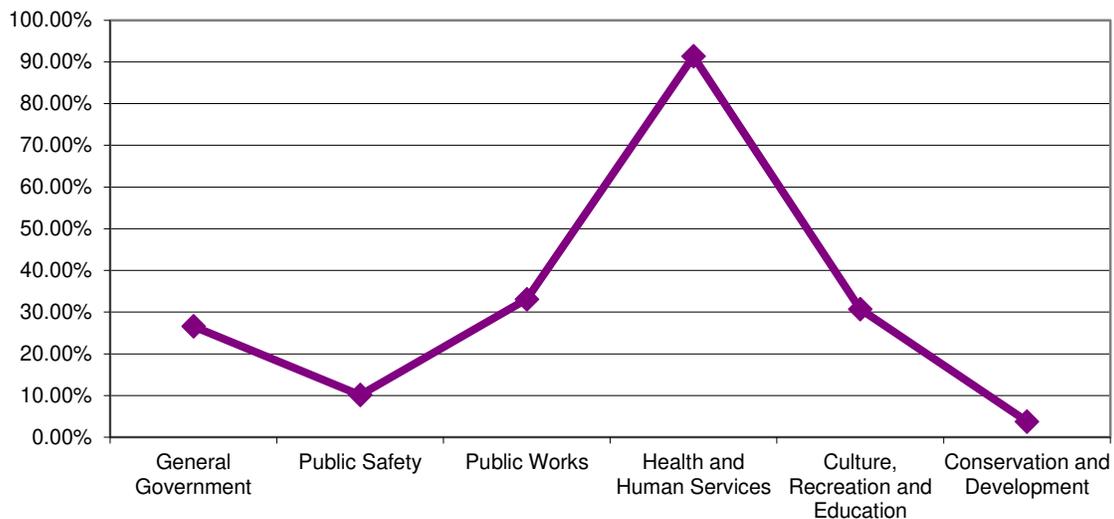
Health and Human Services decrease expenses by (\$58,367) due mainly to wages, benefits and program supplies.

Culture, recreation and education expenses decreased (\$70,553), due to the cost of wages, benefits and program supplies for the Village Park, Recreation and Pond programs, Library and Special Events (Farmer's Market, Vibes and Eat & Greet).

Conservation and Development expenses decreased by (\$3,186,040) in 2017. The main reason for the decrease in expenditures is due to no TIF District Projects for 2017.

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 2017, 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. General Government 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



VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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Significant Changes in Business-type Activities

Business-type Activities - Revenues

Unlike the Governmental activities, the Village's Business-type activities are financed primarily by user fees. The Village bills 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 2016 to 2017 revenues.

	Business-type Activities			
	2017	2016	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 4,852,917	\$ 4,789,975	\$ 62,942	1.31%
Capital grants and contributions	-	-	-	#DIV/0!
General revenues:				
Other general revenues	51,325	6,147	45,178	734.96%
Total revenues	<u>\$ 4,904,242</u>	<u>\$ 4,796,122</u>	<u>\$ 108,120</u>	<u>2.25%</u>

There was a rate increase to Village Utility customers for 2016. Since Charges for Service is based on usage and usage was down so there was an increase of \$62,942.

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 2017.

The Other General Revenues category is comprised of interest income and gain on sale of Village property which there where none in 2017.

Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2016 to 2017.

	Business-type Activities			
	2017	2016	Change	% Chg
Expenses				
Water	\$ 1,560,139	\$ 1,355,672	\$ 204,467	15.08%
Storm Water	1,039,349	970,326	69,023	7.11%
Sanitary Sewer	1,760,761	1,409,949	350,812	24.88%
Total expenses	<u>\$ 4,360,249</u>	<u>\$ 3,735,947</u>	<u>\$ 624,302</u>	<u>16.71%</u>

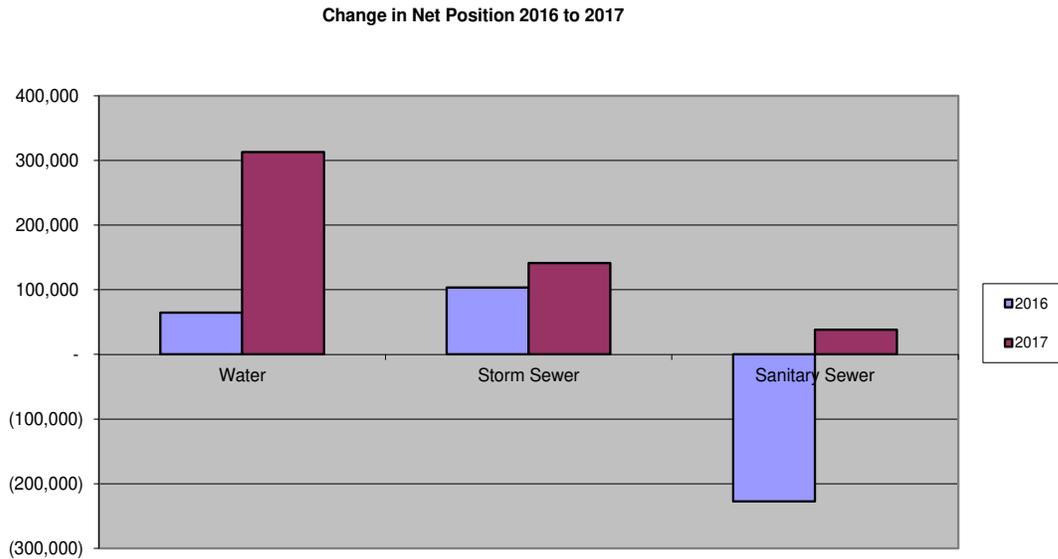
Water Utility expenses increased by \$204,467 from 2016 to 2017 mainly due to increase to maintenance cost to mains. Storm water expenses increased \$69,023 in 2017 due to Beaver Creek Naturalization design. The Sanitary Sewer expenses increased \$350,812 due to sanitary sewer CIPP lining project. Village typically alternates years in terms of focusing maintenance improvement efforts between sanitary sewer and storm water.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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Business-type activities increased the Village of Brown Deer's net position by \$258,427 in 2017 and the graph below shows the net income by utility for each year.

Specific reasons for these changes were previously addressed.



FUND FINANCIAL STATEMENTS

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

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*.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

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, 2017, the governmental funds reported combined ending fund balances of \$3,373,103, a decrease of (\$1,950,917) in comparison with the prior year. This was due to the purchase of land for the new public works building. Eighty-one percent (81%) of the Village's fund balance is considered *Nonspendable Fund balances*, which are items such as prepaid, advances to other funds and non-current receivables. The *Restricted Fund balance* is thirty-eight percent (38%) which 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 thirty-one percent (31%) 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 that is considered *Assigned Fund balance*, meaning the Village Board authorized the Village Manager and the Treasurer/Comptroller to assign a purpose to certain funds. Fifty percent (50%) 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, 2017, the total fund balance of the General Fund was \$5,858,204 of which \$3,097,681 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 2017.

TIF District No. 2's fund balance decreased (\$473,520) due to loss on the sale of land at 4740 W Bradley Road (Celebration building).

TIF District No. 3's fund balance increase \$64,308 due to slight increase in assessed value which brought in more tax revenue.

TIF District No. 4's fund balance decrease (\$515,564) due to principal and interest due on long term debt and value has decrease below the original value at the start of the TIF.

The capital improvement fund decreased the fund balance by (\$2,062,796) due to the purchase of the land for the new public work building.

The Village's nonmajor funds increased the fund balance by \$467,625 due to Municipal Court moving from the General Fund to a Special Revenue Fund.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were over budget by \$76,447 and can be accounted for by the following revenues that exceeded budget expectations:

- We received \$17,318 more in revenue from state aid
- Licenses and permits came in under budget by (\$24,114) due to decrease in building, electrical, plumbing, and heating and A/C permits.
- Fines, forfeitures and penalties came in over budget by \$7,584
- Public Charges for service came in over budget by \$25,570
- Miscellaneous revenue came in over budget by \$374,089 due to commercial revenues.
- Tax received (\$324,000) less in projected.

General Fund expenditures were under budgeted by \$207,107. Public Safety, Public Works and Park and Recreation Department were the only departments that were under budget.

There was no budget amendment made in 2017 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 31-34 of this report.

Unrestricted net position of the water, storm water and sanitary sewer utilities at the end of the year amounted to \$1,483,140; \$822,717; and \$1,754,377 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 35 of this report.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
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NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-77 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 2016 and 2017 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Land	\$ 2,727,436	\$ 1,374,569	\$ 11,654	\$ 11,654
Construction in progress	-	-	9,946	6,656
Machinery and equipment	4,373,190	4,170,158	1,367,648	1,367,648
Library collection	808,447	832,926	-	-
Buildings and improvements	7,221,618	7,188,026	477,886	477,886
Infrastructure	<u>18,762,246</u>	<u>18,405,766</u>	<u>27,743,647</u>	<u>27,388,833</u>
Total capital assets	<u>33,892,937</u>	<u>31,971,445</u>	<u>29,610,781</u>	<u>29,252,677</u>
Less accumulated depreciation	<u>(15,787,061)</u>	<u>(14,605,155)</u>	<u>(12,383,359)</u>	<u>(11,843,837)</u>
Capital assets net of depreciation	<u>\$ 18,105,876</u>	<u>\$ 17,366,290</u>	<u>\$ 17,227,422</u>	<u>\$ 17,408,840</u>

Governmental Activities

- Land increase 1,352,867 for the purchase of the new Public Works building
- Machinery and Equipment increased \$203,032 due to following purchases: DPW – 5-yard Truck, Spreader/Sprayer, Police – (2) Squad Cars, Village Hall – Phone System
- Building and improvements increased by \$33,592 due to new Administrative Service Desk
- \$356,480 of infrastructure was added during 2017; road resurfacing W Donges Lane, W Darnel Avenue, N 51st Street

Business-type Activities

- Water Utility added \$186,008 to infrastructure due to replacement of mains, meters and fire hydrants
- Sewer Utility no change to assets
- Storm water utility added \$168,804 to infrastructure due to ditch rehab project.

Additional information on the Village of Brown Deer's capital assets can be found in Note IV. D. on pages 60-61.

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 \$46,403,035, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of \$22,041,710. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2017, the Village of Brown Deer's outstanding debt equaled 47.50% of the state authorized debt.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

The table below summarizes the Village's long-term debt for 2016 and 2017:

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
General obligation bonds and notes	\$16,751,712	\$18,694,182	\$ 5,290,000	\$ 5,785,000
Amount due to developer	1,780,000	1,890,000	-	-
Unamortized premium on bonds	145,832	159,644	42,504	46,347
Compensated absences	381,249	398,187	50,784	51,785
OPEB liability	73,216	50,756	-	-
Total	<u>\$19,132,009</u>	<u>\$21,192,769</u>	<u>\$ 5,383,288</u>	<u>\$ 5,883,132</u>

In 2017, the Village of Brown Deer issued a \$9,900,000 note anticipation notes (NAN) for public purposes, including financing improvements to Village Hall and Police Department and Department of Public Works buildings and other 2018 and 2019 general fund and utilities capital projects. Additional information regarding the Village of Brown Deer's long-term debt can be found in note IV. F on pages 63 through 66.

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 74 through 76.

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 81-90 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, 2017 was 3.1% compared to 4.0% in December, 2016. This compares with an unemployment rate of 3.2% for the State of Wisconsin and a 4.1% 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>.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2017

According to the State of Wisconsin's, May 2015 Economic Outlook report, Wisconsin building permits continue their sixth year of growth with a 14.7% increase in 2013 and 5.4% in 2014. Building permits were at 14,500 in 2014 which is up 6,000 from the bottom in early 2009, but still 28,000 units lower than its peak in 2003. The forecast calls for 9.2% growth of building permits in 2015 and 13.0% in 2016. By the end of the forecast period, Wisconsin permits will reach a level of 20,000 units, which accounts for half of the previous peak level of 40,000 units in 2003.

The Village's 2017 tax levy was again capped by the State of Wisconsin. The Village can raise its tax levy by three factors: 1) Net new construction's (Village's net new construction for 2017 was zero), 2) Increase in debt service levy, 3) Levy increase in charges assessed by a joint fire department – the Village's increase for 2017 was \$61,802. The Village levied \$8,043,493 which is a 0.007% increase from the 2016 levy.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 14% of the Village's 2017 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 2018 budget for the General Fund includes an increase of 1% in total expenditures due mostly to salaries and benefits. The 2018 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, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 14,865,179	\$ 5,428,066	\$ 20,293,245
Receivables, net			
Taxes	6,304,789	-	6,304,789
Special assessments	32,414	-	32,414
Accounts	261,479	1,081,221	1,342,700
Due to/from other funds	74,888	(74,888)	-
Inventory	-	23,465	23,465
Investments in CVMIC	429,675	-	429,675
Restricted assets - cash and cash equivalents			
Unspent bond proceeds	378,645	849,750	1,228,395
Capital assets			
Land	2,727,436	11,654	2,739,090
Construction in progress	-	9,946	9,946
Other capital assets, net of depreciation	15,378,440	17,205,822	32,584,262
Total assets	40,452,945	24,535,036	64,987,981
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	2,359,346	308,434	2,667,780
Unamortized loss on refunding	509,075	-	509,075
Total deferred outflows of resources	2,868,421	308,434	3,176,855
Total assets and deferred outflows of resources	43,321,366	24,843,470	68,164,836
LIABILITIES			
Accounts payable and accrued expenses	688,766	497,636	1,186,402
Short term notes payable	7,990,000	1,910,000	9,900,000
Estimated claims payable	173,484	-	173,484
Accrued interest payable	143,290	32,669	175,959
Due to other governments	36	-	36
Special deposits	16,180	-	16,180
Unearned revenues	3,491	70,306	73,797
Noncurrent liabilities			
Due within one year	2,533,925	514,934	3,048,859
Due in more than one year	16,901,575	4,903,108	21,804,683
Total liabilities	28,450,747	7,928,653	36,379,400
DEFERRED INFLOWS OF RESOURCES			
Subsequent year tax levy	9,707,041	-	9,707,041
Pension items	959,824	109,915	1,069,739
Total deferred inflows of resources	10,666,865	109,915	10,776,780
Total liabilities and deferred inflows of resources	39,117,612	8,038,568	47,156,180

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION (Continued)

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 13,284,814	\$ 12,744,668	\$ 25,868,021
Restricted for			
Debt service	102,823	-	102,823
Police asset forfeiture fund	12,231	-	12,231
Police donations	27,775	-	27,775
Park and recreation	102,630	-	102,630
Library	83,445	-	83,445
Municipal court	240,581	-	240,581
Tourism commission	69,239	-	69,239
Street lighting	261,287	-	261,287
Unrestricted (deficit)	(9,981,071)	4,060,234	(5,759,376)
TOTAL NET POSITION	\$ 4,203,754	\$ 16,804,902	\$ 21,008,656

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,819,991	\$ 483,365	\$ -	\$ -
Public safety	6,745,102	662,902	19,370	-
Public works	2,554,014	341,315	503,695	58,701
Health and human services	858,439	244,113	539,832	-
Culture, recreation, and education	1,184,464	312,246	51,650	-
Conservation and development	676,192	100	-	25,249
Interest and fiscal charges	548,684	-	-	-
Total governmental activities	14,386,886	2,044,041	1,114,547	83,950
Business-Type Activities				
Water utility	1,560,139	1,873,077	-	-
Sewer utility	1,760,761	1,799,085	-	-
Storm water utility	1,039,349	1,180,755	-	-
Total business-type activities	4,360,249	4,852,917	-	-
TOTAL PRIMARY GOVERNMENT	\$ 18,747,135	\$ 6,896,958	\$ 1,114,547	\$ 83,950

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (1,336,626)	\$ -	\$ (1,336,626)
	(6,062,830)	-	(6,062,830)
	(1,650,303)	-	(1,650,303)
	(74,494)	-	(74,494)
	(820,568)	-	(820,568)
	(650,843)	-	(650,843)
	(548,684)	-	(548,684)
	(11,144,348)	-	(11,144,348)
	-	312,938	312,938
	-	38,324	38,324
	-	141,406	141,406
	-	492,668	492,668
	(11,144,348)	492,668	(10,651,680)
General Revenues			
Property taxes			
Levied for general purposes	6,763,133	-	6,763,133
Levied for debt services	846,558	-	846,558
Levied for capital projects	1,689,873	-	1,689,873
Hotel room taxes	668,949	-	668,949
Intergovernmental revenues not restricted to specific programs	988,119	-	988,119
Investment income	58,172	51,325	109,497
Other	547,928	-	547,928
Total general revenues	11,562,732	51,325	11,614,057
Transfers	285,566	(285,566)	-
CHANGE IN NET POSITION	703,950	258,427	962,377
NET POSITION, JANUARY 1	3,499,804	16,546,475	20,046,279
NET POSITION, DECEMBER 31	\$ 4,203,754	\$ 16,804,902	\$ 21,008,656

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	General	TIF No. 2	TIF No. 3	TIF No. 4
ASSETS				
Cash and investments	\$ 12,136,490	\$ 14,448	\$ 33,373	\$ -
Receivables, net				
Taxes				
Tax levy	4,245,503	541,642	334,876	-
Special assessments on tax roll	-	-	-	-
Accounts	146,342	1,444	26,649	10,099
Due from other funds	1,536,037	-	-	-
Advances to other funds	2,732,748	-	-	-
Restricted assets - cash and cash equivalents				
Unspent bond proceeds	-	-	-	-
TOTAL ASSETS	\$ 20,797,120	\$ 557,534	\$ 394,898	\$ 10,099
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 472,849	\$ 1,360	\$ 1,360	\$ 1,360
Short term notes payable	7,990,000	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	2,732,748
Special deposits	16,180	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	8,479,029	1,360	1,360	2,734,108
DEFERRED INFLOWS OF RESOURCES				
Subsequent year tax levy	6,459,887	824,112	509,516	-
Other deferred inflows	-	7,665	26,528	10,099
Total deferred inflows of resources	6,459,887	831,777	536,044	10,099
FUND BALANCES				
Nonspendable				
Advances to other funds	2,732,748	-	-	-
Restricted				
Debt service	-	-	-	-
Unspent bond proceeds	-	-	-	-
Library	-	-	-	-
Police donations	27,775	-	-	-
Police asset forfeiture	-	-	-	-
Park and recreation	-	-	-	-
Municipal court	-	-	-	-
Tourism commission	-	-	-	-
Street lighting	-	-	-	-
Committed				
North Shore Health Department	-	-	-	-
Recycling	-	-	-	-
Park and recreation	-	-	-	-
Unassigned (deficit)	3,097,681	(275,603)	(142,506)	(2,734,108)
Total fund balances (deficit)	5,858,204	(275,603)	(142,506)	(2,734,108)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,797,120	\$ 557,534	\$ 394,898	\$ 10,099

	Capital Improvements	Nonmajor Governmental	Total Governmental
\$	-	\$ 2,619,583	\$ 14,803,894
	244,494	938,274	6,304,789
	-	32,414	32,414
	9,390	37,660	231,584
	-	-	1,536,037
	-	-	2,732,748
	378,645	-	378,645
\$	632,529	\$ 3,627,931	\$ 26,020,111

\$	46,588	\$ 159,387	\$ 682,904
	-	-	7,990,000
	-	36	36
	1,461,149	-	1,461,149
	-	-	2,732,748
	-	-	16,180
	-	3,491	3,491
	1,507,737	162,914	12,886,508

	372,000	1,541,526	9,707,041
	-	9,167	53,459
	372,000	1,550,693	9,760,500

	-	-	2,732,748
	-	102,823	102,823
	378,645	-	378,645
	-	83,445	83,445
	-	-	27,775
	-	12,231	12,231
	-	102,630	102,630
	-	240,581	240,581
	-	69,239	69,239
	-	261,287	261,287
	-	248,271	248,271
	-	673,444	673,444
	-	120,468	120,468
	(1,625,853)	(95)	(1,680,484)
	(1,247,208)	1,914,324	3,373,103
\$	632,529	\$ 3,627,931	\$ 26,020,111

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 3,373,103
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 governmental funds	18,105,876
Special assessments and other receivables recognized as revenue	53,459
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	2,359,346
Deferred outflows related to bond refunding are not current financial resources and, therefore, are not reported in the governmental funds	509,075
Deferred inflows of resources that are not current financial resources	(959,824)
Pension liability that is not a current financial obligation	(303,491)
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.	341,509
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds and notes payable	(16,751,712)
Unamortized premium	(145,832)
Amount due to developer	(1,780,000)
Compensated absences	(381,249)
Other postemployment benefits	(73,216)
Accrued interest	(143,290)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,203,754</u></u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2017

	<u>General</u>	<u>TIF No. 2</u>	<u>TIF No. 3</u>	<u>TIF No. 4</u>
REVENUES				
Taxes	\$ 6,919,997	\$ 568,785	\$ 634,441	\$ 114,647
Intergovernmental revenues	1,518,668	742	14,244	6,120
Licenses and permits	343,456	-	-	-
Fines, forfeitures, and penalties	47,584	-	-	-
Public charges for services	37,095	-	-	-
Public improvement revenues	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Commercial revenues	505,899	782	28,049	20,353
Total revenues	9,372,699	570,309	676,734	141,120
EXPENDITURES				
Current				
General government	1,441,102	-	-	-
Public safety	6,025,800	-	-	-
Public works	1,190,011	-	-	-
Health and human services	146,071	-	-	-
Culture, recreation, and education	196,161	-	-	-
Conservation and development	-	254,283	156,117	218,038
Capital outlay	-	33,849	-	-
Debt Service				
Principal retirement	-	675,000	385,000	272,017
Interest and fiscal charges	-	80,697	71,309	166,719
Total expenditures	8,999,145	1,043,829	612,426	656,774
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	373,554	(473,520)	64,308	(515,654)
OTHER FINANCING SOURCES (USES)				
Transfers in	285,566	-	-	-
Transfers (out)	(90,000)	-	-	-
Total other financing sources (uses)	195,566	-	-	-
NET CHANGE IN FUND BALANCES	569,120	(473,520)	64,308	(515,654)
FUND BALANCES (DEFICIT), JANUARY 1	5,289,084	197,917	(206,814)	(2,218,454)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 5,858,204	\$ (275,603)	\$ (142,506)	\$ (2,734,108)

	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$	372,000	\$ 1,358,643	\$ 9,968,513
	25,209	332,516	1,897,499
	-	157,254	500,710
	-	472,765	520,349
	-	499,822	536,917
	-	59,783	59,783
	-	465,702	465,702
	10,344	245,628	811,055
	<u>407,553</u>	<u>3,592,113</u>	<u>14,760,528</u>
	-	-	1,441,102
	128,839	347,035	6,501,674
	-	413,529	1,603,540
	-	712,455	858,526
	-	809,518	1,005,679
	-	-	628,438
	2,245,426	-	2,279,275
	82,817	637,637	2,052,471
	13,267	204,314	536,306
	<u>2,470,349</u>	<u>3,124,488</u>	<u>16,907,011</u>
	(2,062,796)	467,625	(2,146,483)
	-	-	285,566
	-	-	(90,000)
	-	-	195,566
	(2,062,796)	467,625	(1,950,917)
	815,588	1,446,699	5,324,020
\$	<u>(1,247,208)</u>	<u>\$ 1,914,324</u>	<u>\$ 3,373,103</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,950,917)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements	2,096,617
Depreciation is reported in the government-wide financial statements	(1,356,706)
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 (\$0). The loss on the sale of capital assets is recognized within the statement of activities (\$124,542).	(3,244)
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	(9,866)
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 Principal repaid	2,052,471
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	19,940
Other postemployment benefits	(22,460)
Compensated absences	16,938
Accrued interest on debt	25,466
Amortization of loss on refunding	(51,656)
Amortization of premium	13,812
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	<u>(126,445)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 703,950</u></u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Total	Internal
			Utility		Service Fund
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,049,767	\$ 1,907,957	\$ 1,470,342	\$ 5,428,066	\$ 61,285
Accounts receivable	400,851	425,434	254,936	1,081,221	29,895
Materials and supplies inventory	23,465	-	-	23,465	-
Due from other funds	5,002	-	-	5,002	-
Restricted assets - cash and cash equivalents					
Unspent bond proceeds	665,545	50,807	133,398	849,750	-
Total current assets	3,144,630	2,384,198	1,858,676	7,387,504	91,180
NONCURRENT ASSETS					
Capital assets					
Land	11,654	-	-	11,654	-
Structures, improvements, and equipment	13,797,538	8,205,772	7,585,871	29,589,181	-
Construction in progress	9,946	-	-	9,946	-
Less accumulated depreciation	(5,075,281)	(4,230,615)	(3,077,463)	(12,383,359)	-
Other assets					
Investment in CVMIC	-	-	-	-	429,675
Total noncurrent assets	8,743,857	3,975,157	4,508,408	17,227,422	429,675
Total assets	11,888,487	6,359,355	6,367,084	24,614,926	520,855
DEFERRED OUTFLOW OF RESOURCES					
Pension items	185,355	37,770	85,309	308,434	-
Total deferred outflows of resources	185,355	37,770	85,309	308,434	-
Total assets and deferred outflows of resources	12,073,842	6,397,125	6,452,393	24,923,360	520,855
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	132,259	327,058	38,319	497,636	5,862
Short-term notes payable	785,000	250,000	875,000	1,910,000	-
Due to other funds	74,888	5,002	-	79,890	-
Estimated claims payable	-	-	-	-	173,484
Accrued interest	10,848	6,586	15,235	32,669	-
Unearned revenue	70,306	-	-	70,306	-
Current portion of accumulated sick and vacation pay	10,742	5,639	9,710	26,091	-
Current portion of long-term liabilities	157,255	114,375	217,213	488,843	-
Total current liabilities	1,241,298	708,660	1,155,477	3,105,435	179,346
NONCURRENT LIABILITIES					
Accumulated sick and vacation pay	19,423	1,935	3,335	24,693	-
Net pension liability	18,698	4,940	11,116	34,754	-
Long-term bonds and notes payable	1,626,530	982,325	2,234,806	4,843,661	-
Total noncurrent liabilities	1,664,651	989,200	2,249,257	4,903,108	-
Total liabilities	2,905,949	1,697,860	3,404,734	8,008,543	179,346

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
DEFERRED INFLOW OF RESOURCES					
Pension items	\$ 59,136	\$ 15,624	\$ 35,155	\$ 109,915	\$ -
Total deferred inflows of resources	59,136	15,624	35,155	109,915	-
Total liabilities and deferred inflows of resources	2,965,085	1,713,484	3,439,889	8,118,458	179,346
NET POSITION					
Net investment in capital assets	7,625,617	2,929,264	2,189,787	12,744,668	-
Unrestricted	1,483,140	1,754,377	822,717	4,060,234	341,509
TOTAL NET POSITION	\$ 9,108,757	\$ 4,683,641	\$ 3,012,504	\$ 16,804,902	\$ 341,509

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Total	Internal
			Utility		Service
					Fund
OPERATING REVENUES					
Sale of water	\$ 1,646,235	\$ -	\$ -	\$ 1,646,235	\$ -
Sewage collection charges	-	1,798,766	-	1,798,766	-
Storm water charges	-	-	1,121,721	1,121,721	-
Other operating revenues	226,842	319	59,034	286,195	14,846
Total operating revenues	1,873,077	1,799,085	1,180,755	4,852,917	14,846
OPERATING EXPENSES					
Operation and maintenance	1,245,484	1,588,478	612,241	3,446,203	261,187
Depreciation	270,919	145,613	226,912	643,444	-
Total operating expenses	1,516,403	1,734,091	839,153	4,089,647	261,187
OPERATING INCOME (LOSS)	356,674	64,994	341,602	763,270	(246,341)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	13,456	34,140	3,729	51,325	29,896
Other non-operating income (expense)	-	-	(140,473)	(140,473)	-
Interest expense	(43,736)	(26,670)	(59,723)	(130,129)	-
Total non-operating revenues (expenses)	(30,280)	7,470	(196,467)	(219,277)	29,896
INCOME (LOSS) BEFORE TRANSFERS	326,394	72,464	145,135	543,993	(216,445)
TRANSFERS					
Transfers in	-	-	-	-	90,000
Transfers (out)	(285,566)	-	-	(285,566)	-
Total transfers	(285,566)	-	-	(285,566)	90,000
CHANGE IN NET POSITION	40,828	72,464	145,135	258,427	(126,445)
NET POSITION, JANUARY 1	9,067,929	4,611,177	2,867,369	16,546,475	467,954
NET POSITION, DECEMBER 31	\$ 9,108,757	\$ 4,683,641	\$ 3,012,504	\$ 16,804,902	\$ 341,509

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 2,004,893	\$ 1,806,859	\$ 1,181,094	\$ 4,992,846	\$ 13,192
Paid to suppliers for goods and services	(1,438,575)	(1,418,553)	(343,508)	(3,200,636)	(169,195)
Paid to employees for services	122,132	(113,106)	(260,017)	(250,991)	-
Net cash from operating activities	688,450	275,200	577,569	1,541,219	(156,003)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of interfund obligations	(5,002)	-	-	(5,002)	-
Received from other funds	74,888	5,002	-	79,890	-
Transfer in - operational transfer	-	-	-	-	90,000
Transfers (out) - paid for tax equivalent	(285,566)	-	-	(285,566)	-
Net cash from noncapital financing activities	(215,680)	5,002	-	(210,678)	90,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of short-term note	785,000	250,000	875,000	1,910,000	-
Payment on capital related advance	31,319	(31,319)	-	-	-
Principal paid on long-term debt	(156,400)	(109,000)	(229,600)	(495,000)	-
Interest paid on long-term debt	(45,735)	(27,822)	(64,017)	(137,574)	-
Acquisition and construction of capital assets	(293,220)	-	(309,277)	(602,497)	-
Net cash from capital and related financing activities	320,964	81,859	272,106	674,929	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	13,456	34,140	3,729	51,325	29,896
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	807,190	396,201	853,404	2,056,795	(36,107)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,908,122	1,562,563	750,336	4,221,021	97,392
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,715,312	\$ 1,958,764	\$ 1,603,740	\$ 6,277,816	\$ 61,285

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 356,674	\$ 64,994	\$ 341,602	\$ 763,270	\$ (246,341)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	270,919	145,613	226,912	643,444	-
(Increase) decrease in assets and deferred outflows					
Accounts receivable	132,332	7,774	339	140,445	(1,654)
Inventory	(7,811)	-	-	(7,811)	-
Deferred outflows of resources	(128,725)	12,873	27,570	(88,282)	-
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	25,160	56,309	7,978	89,447	(15,975)
Estimated claims payable	-	-	-	-	107,967
Unearned revenue	(516)	-	-	(516)	-
Net pension liability	6,504	(5,496)	(12,138)	(11,130)	-
Deferred inflows of resources	33,473	(6,337)	(13,783)	13,353	-
Accumulated sick leave payable	440	(530)	(911)	(1,001)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 688,450	\$ 275,200	\$ 577,569	\$ 1,541,219	\$ (156,003)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and cash equivalents	\$ 2,049,767	\$ 1,907,957	\$ 1,470,342	\$ 5,428,066	\$ 61,285
Restricted cash and cash equivalents	665,545	50,807	133,398	849,750	-
CASH AND CASH EQUIVALENTS	\$ 2,715,312	\$ 1,958,764	\$ 1,603,740	\$ 6,277,816	\$ 61,285

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

December 31, 2017

	<u>Agency Fund</u> <u>Property</u> <u>Tax</u>
ASSETS	
Cash and cash equivalents	\$ 6,785,882
Taxes receivable	<u>12,931,937</u>
TOTAL ASSETS	<u>\$ 19,717,819</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 87,890
Due to other taxing units	<u>19,629,929</u>
TOTAL LIABILITIES	<u>\$ 19,717,819</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Brown Deer, Wisconsin (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

a. Reporting Entity

This report includes all the funds of the Village. 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; and (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 (the Foundation) is a blended component unit of the Brown Deer Library (the Library)

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

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 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 is currently inactive.

b. Fund Accounting

The Village uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds), and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes agency funds which are generally used to account for assets that the Village holds on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide activities (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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.

Separate financial statements are provided for governmental funds, 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. The Village has chosen to voluntarily report this fund as major.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

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. The Village has chosen to voluntarily report this fund as major.

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 Fund - accounts for operations of the water system.

Sewer Utility Fund - accounts for operations of the sewer system.

Storm Water Utility Fund - 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).

The Village reports the following special revenue funds:

Park and Recreation Program Fund, Special Assessments Fund, Strehlow Donation Fund, Library Fund, Brown Deer Farmers Market Fund, North Shore Health Department Fund, Police Asset Forfeiture Fund, Policing Services Fund, Recycling Fund, Community Vibes Fund, and Municipal Court 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 tax increment district (TID) or enterprise fund debt.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

In addition, the Village reports the following fund types:

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund (except for the agency fund which has no measurement focus) financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

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 property tax and other revenues to be available if they are collected within 60 days and 90 days of the end of the current fiscal period, respectively. 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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 measurable 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 government-wide statement of net position and 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

The preparation of financial statements in conformity with 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.

e. Cash and Investments

Cash and Cash Equivalents

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.

Investments

Investment of village funds is restricted by Wisconsin State Statute 66.0603. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
- 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.
- Bonds or securities issued or guaranteed by the federal government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments (Continued)

- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

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 (the 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 LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the Village's share of LGIP's assets was substantially equal to the amount as reported in these financial statements.

f. Interfund Receivables/Payables

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."

g. Inventories/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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects as specified in the bond agreement. The cash proceeds are restricted for the purposes of financing the projects. As of December 31, 2017, the Village had unspent bond proceeds of \$849,750.

i. Compensated Absence

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, 2017 are determined on the basis of current salary rates and included salary related payments.

j. Capital Assets

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 acquisition 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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

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:

	<u>Years</u>
Buildings and improvements	10-40
Machinery and equipment	5-15
Library collection	12
Utility system	18-90
Infrastructure	10-80

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.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Use of Estimates

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

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village Board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Finance and Public Works Committee through the approved budget of the Village. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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 \$1,520,529 and is included in the unassigned General Fund balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. 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 \$9.56 million, made up of two issues.

2. 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash	\$ 3,862	\$ -	N/A
Demand deposits	10,617,125	6,534,678	Custodial credit risk
Certificates of deposit	4,548,951	4,548,951	Custodial credit risk
Money market accounts	7,842,533	7,842,533	Custodial credit risk
Local government investment pool	29,074	29,074	Credit risk and interest rate risk
Municipal bonds	392,432	392,431	Custodial credit, credit, concentration of credit risk, and interest rate risk
U.S. agencies	<u>4,873,546</u>	<u>4,873,405</u>	Custodial credit, credit, interest concentration of credit risk, and Interest rate risk
TOTAL	<u>\$ 28,307,523</u>	<u>\$ 24,221,072</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and cash equivalents	\$ 21,521,641		
Per statement of net position -			
Agency Fund			
Cash and cash equivalents	<u>6,785,882</u>		
TOTAL	<u>\$ 28,307,523</u>		

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.

a. Village Deposits

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

As of December 31, 2017, the Village's deposits were fully insured or collateralized.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village 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 has a separate custodian that holds the investments separate from the manager that purchases the investments.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2017, the Village's investments were rated as follows:

Investment Type	Amount	Moody's Investors Services
U.S. agencies	\$ 4,873,546	AAA
Municipal bonds	50,011	Aa1
Municipal bonds	175,324	Aa2
Municipal bonds	115,362	Aa+
Municipal bonds	51,736	Aa3
Negotiable CDs	4,346,079	Unrated
LGIP	29,074	Unrated

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, 2017, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. agencies	19.66%
FNMA	U.S. agencies	17.27%

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

As of December 31, 2017, the Village's investments mature as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 6 Months	6 Months to 1 Year	1-3 Years	3 or More Years
Local government investment pool	\$ 29,074	\$ 29,074	\$ -	\$ -	\$ -
Certificates of deposit	4,548,951	1,745,378	818,488	1,985,085	-
U.S. agencies	4,873,546	1,230,254	927,470	2,715,822	-
Municipal bonds	392,432	190,388	51,736	150,308	-
TOTAL	\$ 9,844,003	\$ 3,195,095	\$ 1,797,694	\$ 4,851,215	\$ -

The Village has invested in certificates of deposit which exceed the maturity allowed by state statutes.

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Village has the following recurring fair value measurements as of December 31, 2017:

U.S. agency securities of \$4,873,546, municipal bonds of \$392,432 and negotiable certificates of deposit of \$4,346,079 are valued using a matrix pricing model (Level 2 inputs).

3. 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.

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 2016 levy collected in 2017 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

Property tax calendar - 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	March 31, 2018
Third installment due	May 31, 2018
Personal property taxes in full	January 31, 2018
Tax settlements	
Initial settlement	January 15, 2018
Second settlement	February 15, 2018
Third settlement	April 15, 2018
Fourth settlement	June 15, 2018
Final settlement	August 15, 2018
Tax deed by	
Delinquent real estate taxes	October 2020

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 storm water 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.

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 estimated based on the subsequent year's March billing. 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.

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:

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

	Unavailable	Unearned	Total
Property taxes receivable for subsequent year	\$ 9,707,041	\$ -	\$ 9,707,041
Special assessments not yet due	53,458	-	53,458
TOTAL DEFERRED	\$ 9,760,499	\$ -	\$ 9,760,499

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

4. CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,374,569	\$ 1,352,867	\$ -	\$ 2,727,436
Total capital assets not being depreciated	1,374,569	1,352,867	-	2,727,436
Capital assets being depreciated				
Machinery and equipment	4,170,158	296,418	93,386	4,373,190
Library collection	832,926	57,259	81,738	808,447
Buildings and improvements	7,188,026	33,592	-	7,221,618
Infrastructure	18,405,765	356,481	-	18,762,246
Total capital assets being depreciated	30,596,875	743,750	175,124	31,165,501
Less accumulated depreciation for				
Machinery and equipment	2,151,935	405,613	90,142	2,467,406
Library collection	471,912	64,985	81,738	455,159
Buildings and improvements	4,312,821	227,285	-	4,540,106
Infrastructure	7,665,567	658,823	-	8,324,390
Total accumulated depreciation	14,602,235	1,356,706	171,880	15,787,061
Total capital assets being depreciated, net	15,994,640	(612,956)	(3,244)	15,378,440
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,369,209	\$ 739,911	\$ (3,244)	\$ 18,105,876

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 11,654	\$ -	\$ -	\$ 11,654
Construction in progress	6,656	281,805	278,515	9,946
Total capital assets not being depreciated	18,310	281,805	278,515	21,600
Capital assets being depreciated				
Structures and improvements	477,886	-	-	477,886
Water utility system	12,445,522	290,103	104,095	12,631,530
Sewer utility system	7,824,031	-	-	7,824,031
Storm water utility system	7,119,282	168,804	-	7,288,086
Machinery and equipment	1,367,648	-	-	1,367,648
Total capital assets being depreciated	29,234,369	458,907	104,095	29,589,181
Less accumulated depreciation for				
Structures and improvements	344,413	8,695	-	353,108
Water utility system	3,931,718	261,244	25,495	4,167,467
Sewer utility system	3,936,369	97,913	-	4,034,282
Storm water utility system	2,778,666	207,060	-	2,985,726
Machinery and equipment	852,844	68,532	78,600	842,776
Total accumulated depreciation	11,844,010	643,444	104,095	12,383,359
Total capital assets being depreciated, net	17,390,359	(184,537)	-	17,205,822
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,408,669	\$ 97,268	\$ 278,515	\$ 17,227,422

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 171,519
Public safety	178,700
Public works, which includes the depreciation of infrastructure	860,369
Health and human services	1,437
Culture, recreation, and education	140,644
Conservation and development	4,037

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES **\$ 1,356,706**

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

BUSINESS-TYPE ACTIVITIES

Water utility	\$ 270,919
Sewer utility	145,613
Storm water utility	<u>226,912</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 643,444

5. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

The following is a summary of changes in bonds, contracts payable, and other long-term liabilities during 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and notes payable					
General obligation debt	\$ 18,144,655	\$ -	\$ 1,859,655	\$ 16,285,000	\$ 1,855,000
G.O. note payable - Village of Whitefish Bay	349,166	-	54,319	294,847	56,102
G.O. note payable - Village of Bayside	200,361	-	28,496	171,865	28,496
Unamortized premium on bonds	159,644	-	13,812	145,832	13,812
Total bonds and notes payable	<u>18,853,826</u>	<u>-</u>	<u>1,956,282</u>	<u>16,897,544</u>	<u>1,953,410</u>
Other liabilities					
Amount due to developer	1,890,000	-	110,000	1,780,000	255,000
Other postemployment benefits	50,756	58,102	35,642	73,216	-
Vested compensated absences	398,187	308,577	325,515	381,249	325,515
Total other liabilities	<u>2,338,943</u>	<u>366,679</u>	<u>471,157</u>	<u>2,234,465</u>	<u>580,515</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 21,192,769</u>	<u>\$ 366,679</u>	<u>\$ 2,427,439</u>	<u>\$ 19,132,009</u>	<u>\$ 2,533,925</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and notes payable					
General obligation debt	\$ 5,785,000	\$ -	\$ 495,000	\$ 5,290,000	\$ 485,000
Unamortized premium on bonds	46,347	-	3,843	42,504	3,843
Other liabilities					
Vested compensated absences	51,785	25,090	26,091	50,784	26,091
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 5,883,132</u>	<u>\$ 25,090</u>	<u>\$ 524,934</u>	<u>\$ 5,383,288</u>	<u>\$ 514,934</u>

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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.

b. 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, 2017 was \$46,403,035. Total general obligation debt and related pledges outstanding at year end was \$22,041,710.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
GOVERNMENTAL ACTIVITIES					
General obligation debt					
Taxable issues					
Refunding bonds	5/9/2011	4/1/2022	1.80%-4.35%	\$ 625,000	\$ 320,000
	11/26/2012	4/1/2028	1.00%-3.25%	5,345,000	4,235,000
	1/4/2016	4/1/2022	0.95%-2.35%	1,655,000	1,615,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00%-3.00%	943,823	294,847
Bayside NSFD	4/6/2012	8/1/2023	0.80%-2.30%	501,799	171,865
Tax-exempt issues					
Promissory notes	3/6/2015	4/1/2022	0.50%-2.38%	1,410,000	1,030,000
	12/12/2011	4/1/2031	2.00%-3.35%	630,000	340,000
	11/26/2012	4/1/2032	0.65%-2.50%	550,000	500,000
Refunding bonds	1/4/2016	4/1/2022	1.50%-2.25%	1,140,000	170,000
Corporate purpose bonds	4/5/2010	4/1/2030	2.10%-5.80%	5,355,000	3,920,000
	10/27/2014	4/1/2030	2.00%-3.00%	2,025,000	1,890,000
	6/27/2016	4/1/2031	1.50%-2.50%	2,450,000	2,265,000
TOTAL GOVERNMENTAL ACTIVITIES - GENERAL OBLIGATION DEBT				\$ 22,630,622	\$ 16,751,712

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. General Obligation Debt (Continued)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
BUSINESS-TYPE ACTIVITIES					
General obligation debt					
Tax-exempt issues					
Promissory notes	12/12/2011	4/1/2031	2.00%-3.35%	\$ 800,000	\$ 600,000
	11/26/2012	4/1/2016	2.00%	815,000	650,000
Refunding bonds	1/4/2016	4/1/2022	1.50%-2.25%	935,000	790,000
Corporate purpose bonds	4/3/2008	4/1/2016	2.60%-4.00%	1,125,000	540,000
	10/27/2014	4/1/2029	2.00%-3.00%	2,375,000	1,970,000
	6/27/2016	4/1/2031	1.50%-2.50%	800,000	740,000
TOTAL BUSINESS-TYPE ACTIVITIES - GENERAL OBLIGATION DEBT				<u>\$ 6,850,000</u>	<u>\$ 5,290,000</u>

c. Notes Payable

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 \$294,847 on December 31, 2017. 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% to 3%.

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 \$171,866 on December 31, 2017. 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% to 2.30%.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. 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
2018	\$ 2,194,598	\$ 465,845	\$ 485,000	\$ 125,440
2019	2,240,488	420,312	510,000	113,610
2020	2,142,269	371,885	530,000	101,018
2021	2,204,050	319,790	540,000	88,404
2022	2,180,919	264,887	540,000	75,513
2023-2027	5,479,386	762,349	1,635,000	243,321
2028-2032	1,950,000	117,801	1,050,000	52,256
TOTAL	\$ 18,391,710	\$ 2,722,869	\$ 5,290,000	\$ 799,562

e. Other Debt Information

Estimated payments of compensated absences and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences liability is primarily attributable to the General Fund. The other postemployment benefits are attributable primarily to the General Fund.

During 2015, the Village entered into a tax increment district (TID) 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. The Village paid \$110,000 related to this agreement during 2017, and expects to pay additional sums of \$115,000 and \$125,000 during 2018 and 2019, respectively.

During 2014, 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. Total costs that could be reimbursed amount to \$2,180,000. The Village did not make any payments related to this agreement during 2017, but expects to make ten additional installment payments continuing until June 2028.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

6. SHORT-TERM DEBT

On December 18, 2017, the Village issued \$9.9 million in short-term note anticipation notes with an interest rate of 1.74% in anticipation of the issuance and sale of general obligation refunding bonds to finance 2018 and 2019 capital projects. The notes mature on August 18, 2018, but are subject to redemption prior to maturity, at the option of the Village, on March 18, 2018 or any date thereafter. These notes are tax-exempt obligations of the Village.

The following is a summary of changes in short term notes payable during 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Note anticipation note	\$ -	\$ 7,990,000	\$ -	\$ 7,990,000	\$ 7,990,000
Total note anticipation notes	-	7,990,000	-	7,990,000	7,990,000
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ -</u>	<u>\$ 7,990,000</u>	<u>\$ -</u>	<u>\$ 7,990,000</u>	<u>\$ 7,990,000</u>
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Note anticipation note	\$ -	\$ 1,910,000	\$ -	\$ 1,910,000	\$ 1,910,000
Total note anticipation notes	-	1,910,000	-	1,910,000	1,910,000
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ -</u>	<u>\$ 1,910,000</u>	<u>\$ -</u>	<u>\$ 1,910,000</u>	<u>\$ 1,910,000</u>

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

7. NET POSITION/FUND BALANCES

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

Governmental Activities	
Net investment in capital assets	
Land	\$ 2,727,436
Other capital assets, net of accumulated depreciation	15,378,440
Less: related long-term capital debt outstanding	(5,234,117)
Plus: unamortized loss related to capital debt	34,410
Plus: unspent capital related debt proceeds	<u>378,645</u>
Total net investment in capital assets	<u>13,284,814</u>
Restricted	
Debt service	102,823
Police asset forfeiture fund	12,231
Police donations	27,775
Parks and recreation	102,630
Library	83,445
Municipal court	240,581
Tourism commission	<u>69,239</u>
Total restricted	<u>638,724</u>
Unrestricted (deficit)	<u>(11,064,291)</u>
TOTAL GOVERNMENT ACTIVITIES NET POSITION	<u><u>\$ 2,859,247</u></u>

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

7. NET POSITION/FUND BALANCES (Continued)

Business-Type Activities	
Net investment in capital assets	
Land	\$ 11,654
Construction in progress	9,946
Other capital assets, net of accumulated depreciation	17,205,822
Less: related long-term capital debt outstanding	(5,290,000)
Less: premium on debt	(42,504)
Plus: unspent capital related debt proceeds	<u>849,750</u>
 Total net investment in capital assets	 12,744,668
 Unrestricted	 <u>3,916,930</u>
 TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	 <u><u>\$ 16,661,598</u></u>

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	\$ 13,297,777	\$ 12,744,668	\$ (161,461)	\$ 25,880,984
Unrestricted	(10,767,434)	3,916,930	161,461	(6,689,043)

Fund Balance Deficits

As of December 31, 2017, TIF Nos. 2, 3, and 4 had fund balance deficits of \$275,603, \$142,506, and \$2,734,108, respectively. The deficits are expected to be mitigated by future tax increments. The Capital Projects and Policing Services Funds had fund balance deficits of \$(1,247,208) and \$(95), respectively.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ACCOUNTS

a. 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/payable			
General	Water	\$ 74,888	
General	Capital Improvements	1,461,149	
Water	Sewer	<u>5,002</u>	
TOTAL		<u>\$ 1,541,039</u>	
Interfund advances			
General Fund	TIF No. 4	<u>\$ 2,732,748</u>	<u>\$ 2,732,748</u>
TOTAL		<u>\$ 2,732,748</u>	<u>\$ 2,732,748</u>

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

The interfund advance 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:

	Transfers In	Transfers Out
General Fund	\$ 285,566	\$ 90,000
Water Utility	-	285,566
Internal Service Fund	<u>90,000</u>	<u>-</u>
TOTAL	<u>\$ 375,566</u>	<u>\$ 375,566</u>

8. INTERFUND ACCOUNTS (Continued)

a. Interfund Receivables/Payables, Advances, and Transfers (Continued)

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.

9. 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 (CVMIC). 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 CVMIC. 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 WMIC.

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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

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, 2017 was approximately 1.727%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2017, 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 2016 and 2017 were:

Fiscal Year	Beginning Balance	Incurred Claims	Claims Paid/Settled	Ending Balance
2016	\$ -	\$ 84,355	\$ 25,000	\$ 59,355
2017	59,355	114,129	-	173,484

At December 31, 2017, the internal service fund established for liability insurance has a net position of \$341,509.

10. 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, 2017, are not likely to have a material adverse impact on the Village's financial position.

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.

10. COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB 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 5e on commitments and contingencies.

11. DEFINED BENEFIT PENSION PLAN

a. Summary of Significant Accounting Policies

Wisconsin Retirement System

Pensions

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

b. Plan Description

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. WRS is administered by the Wisconsin Department of Employee Trust Funds (ETF). WRS provides coverage to all eligible State of Wisconsin local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS.

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

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

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.

WRS also provides death and disability benefits for employees.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Post Retirement Adjustments

ETF's Board may periodically adjust annuity payments from WRS based on annual investment performance in accordance with Section 40.27, Wisconsin Statutes. 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 WRS's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For core annuities, decreases may be applied only to previously granted increases. By law, core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The core and variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustments</u>	<u>Variable Fund Adjustments</u>
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
2015	2.9	2
2016	0.5	(5)

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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Contributions (Continued)

During the reporting period, WRS recognized \$493,364 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Executives and elected officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2017, the Village reported a liability (asset) of \$338,245 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the Village's proportion was 0.04103731%, which was an increase of 0.00042962% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Village recognized pension expense of \$348,158.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

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

At December 31, 2017, 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	\$ 128,973	\$ 1,063,753
Changes in assumptions	353,649	-
Net differences between projected and actual earnings on pension plan investments	1,683,679	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,115	5,986
Employer contributions subsequent to the measurement date	493,364	-
TOTAL	<u><u>\$ 2,667,780</u></u>	<u><u>\$ 1,069,739</u></u>

\$493,364 reported as deferred outflows related to pension resulting from WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 434,984
2019	434,984
2020	309,624
2021	(75,371)
Thereafter	456
TOTAL	<u><u>\$ 1,104,677</u></u>

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2015
Measurement date of net pension liability (asset)	December 31, 2016
Actuarial cost method	Entry-age
Asset valuation method	Fair market value
Long-term expected rate of return	7.20%
Discount rate	7.20%
Salary increases	
Inflation	3.20%
Seniority/merit	0.20% to 5.60%
Mortality	Wisconsin 2012 Mortality Table
Postretirement adjustments*	2.10%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 2.10% is the assumed annual adjustment based on the investment return assumption and the postretirement 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, 2016 is based upon a rollforward of the liability calculated from the December 31, 2015 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets (Continued)

	Retirement Funds			
	Asset Allocation Targets and Expected Returns As of December 31, 2016			
	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class				
Global equities	50.0%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8.0%	7%	6.5%	3.6%
Private equity/debt	8.0%	7%	9.4%	6.5%
Multi-asset	4.0%	4%	6.6%	3.7%
Total core fund	110.0%	120%	7.4%	4.5%
Variable Fund Asset Class				
United States equities	70.0%	70%	7.6%	4.7%
International equities	30.0%	30%	8.5%	5.6%
Total variable fund	100.0%	100%	7.9%	5.0%

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

Single Discount Rate

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Sensitivity of the Village's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 4,449,835	\$ 338,245	\$ (2,827,865)

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://etf.wi.gov/publications/cafr.htm>

In prior years, the Village's General, Water, Sewer, and Storm Water Funds have been used to liquidate the pension benefit obligation.

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

The Village provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with Wisconsin Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree can choose to not participate in the plan or continue under the Village's plan at a Medicare supplement rate.

c. Membership

At January 1, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits	6
Active employees	<u>66</u>
TOTAL	<u>72</u>
Participating employers	<u><u>1</u></u>

d. 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 GASB Statement No. 45.

e. Annual OPEB Cost and Net OPEB Obligation

The Village's annual 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. 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Cost and Net OPEB Obligation (Continued)

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:

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 49,191	\$ 53,163	108.10%	\$ 33,483
2016	57,187	39,914	69.80%	50,756
2017	58,102	35,642	61.30%	73,216

The net OPEB obligation as of December 31, 2017 was calculated as follows:

Annual required contribution	\$ 58,644
Interest on net OPEB obligation	2,030
Adjustment to annual required contribution	<u>(2,572)</u>
Annual OPEB cost	58,102
Contributions made	<u>(35,642)</u>
Change in net OPEB obligation	22,460
Net OPEB obligation, beginning of year	<u>50,756</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 73,216</u>

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 544,555
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	544,555
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 5,126,000
UAAL as a percentage of covered payroll	10.62%

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Cost and Net OPEB Obligation (Continued)

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 multi-year 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.

In the January 1, 2017 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an investment rate of return of 4% and an initial healthcare cost trend rate of 7.50% with an ultimate healthcare inflation rate of 5.50%. Investment rate of return includes a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period at January 1, 2017 was 23 years.

13. BASIS FOR EXISTING RATES

a. Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin and effective February 16, 2017.

b. Sewer Utility

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

13. BASIS FOR EXISTING RATES (Continued)

c. Storm Water Utility

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

14. OTHER POLICIES - TAX INCREMENTAL DISTRICTS

a. 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, 2017, the Village has made no amendments to the initial project plan.

b. 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, 2017, the Village has made no amendments to the initial project plan.

c. 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, 2017, the Village has made no amendments to the initial project plan.

15. INTERMUNICIPAL AGREEMENTS

a. North Shore Fire Department

The Village is a member of the North Shore Fire Department (the Department) along with the Villages of Bayside, Fox Point, River Hills, 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 2017, the Village incurred expenditures of \$2.17 million for fire protection and emergency medical services under this agreement. Complete 2017 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

b. Milwaukee Area Domestic Animal Control Commission

The Village is a member of the Milwaukee Area Domestic Animal Control Commission (the Commission) along with 18 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 19-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.

c. North Shore Health Department

The North Shore Health Department (NSHD) is comprised of the Villages of Brown Deer, Bayside, Fox Point, 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/Mayor.

The Village is the fiscal agent for NSHD. Compensation is made to the Village 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.

15. INTERMUNICIPAL AGREEMENTS (Continued)

d. Bayside Communications Center

The Village entered into a ten-year agreement with the Village of Bayside (Bayside) effective January 1, 2012 in which Bayside will provide a unified public safety answering point (PSAP). Bayside provides dispatch service to the Village, 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 being based on a formula that is restricted by the lesser of the State imposed levy limit plus any nonpersonnel contractual obligations or the consumer price index increase. The agreement states that the Village will make an annual capital contribution to the Bayside Communications Center with payments ranging from \$5,428 to \$16,201.

16. SUBSEQUENT EVENTS

On April 4, 2018, the Village issued \$9.995 million in general obligation refunding bonds to refund \$9.9 million of short-term note anticipation notes with an interest rate of 1.74%. The net proceeds of \$9.995 million were used to pay of the short-term notes payable and will be used to finance 2018 and 2019 capital projects of the Village. The bonds mature on April 1, 2026.

On April 19, 2018, the Village issued \$3.735 million in short-term note anticipation notes with an interest rate of 2.71% in anticipation of the issuance and sale of general obligation refunding bonds to finance 2018 and 2019 capital projects. The notes mature on December 19, 2018, but are subject to redemption prior to maturity, at the option of the Village, on July 19, 2018 or any date thereafter. These notes are tax-exempt obligations of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 7,243,997	\$ 6,919,997	\$ (324,000)
Intergovernmental revenues	1,501,350	1,518,668	17,318
Licenses and permits	367,570	343,456	(24,114)
Fines, forfeitures, and penalties	40,000	47,584	7,584
Public charges for services	11,525	37,095	25,570
Commercial revenues	131,810	505,899	374,089
Total revenues	9,296,252	9,372,699	76,447
EXPENDITURES			
Current			
General government	1,259,920	1,441,102	(181,182)
Public safety	6,304,343	6,025,800	278,543
Public works	1,280,488	1,190,011	90,477
Health and human services	142,039	146,071	(4,032)
Culture, recreation, and education	219,462	196,161	23,301
Total expenditures	9,206,252	8,999,145	207,107
EXCESS (DEFICIENCY) OF REVENUES OVER REVENUES			
	90,000	373,554	283,554
OTHER FINANCING SOURCES (USES)			
Transfers in	-	285,566	285,566
Transfers (out)	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	195,566	285,566
NET CHANGE IN FUND BALANCE			
	\$ -	569,120	\$ 569,120
FUND BALANCE, JANUARY 1		5,289,084	
FUND BALANCE, DECEMBER 31		\$ 5,858,204	

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2017

Schedule of Funding Progress

Actuarial Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry-Age	(a) / (b) Funded Ratio	(b) - (a) Unfunded AAL (UAAL)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll ((b) - (a)) / (c)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 512,028	0.00%	\$ 512,028	\$ 4,744,380	10.79%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	544,555	0.00%	544,555	5,126,000	10.62%
2017	N/A	N/A	N/A	N/A	N/A	N/A

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
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%
2016	39,914	57,482	69.44%
2017	35,642	58,644	60.78%

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM

December 31, 2017*

Proportionate Share of the Net Pension Liability (Asset)

	2015	2016	2017
Village's proportion of the net pension liability (asset)	0.04056323%	0.04060769%	0.04103731%
Village's proportionate share of the net pension liability (asset)	\$ (996,344)	\$ 659,867	\$ 338,245
Village's covered-employee payroll	\$ 4,687,391	\$ 4,851,886	\$ 4,983,360
Plan fiduciary net position as a percentage of the total pension liability	102.74%	98.20%	99.12%
Proportionate share of the collective net pension liability (asset) as a percentage of the Village's covered payroll	(21.26%)	13.60%	6.79%

Schedule of Contributions

	2015	2016	2017
Contractually required contributions	\$ 398,000	\$ 394,968	\$ 397,074
Contributions in relation to the contractually required contributions	\$ (398,000)	\$ (394,968)	\$ (397,074)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 4,687,391	\$ 4,851,886	\$ 4,983,360
Contributions as a percentage of covered-employee payroll	8.49%	8.14%	7.97%

*The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

The Village has elected to present the supplementary information required by GASB Statement No. 68 prospectively. Ultimately, This schedule should present information for the last ten years. However until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

1. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget. Budgets are adopted on a basis consistent with GAAP.

A budget has been adopted for the General Fund, Special Revenue Funds (excluding, Police Asset Forfeiture, Strehlow Donation Funds, Farmers Market, Community Vibes, Municipal Court, and Police Services), Debt Service Fund, and the Capital Projects Funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds levying a general property tax.

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

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

Excess of expenditures over appropriations are as follows:

Fund	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
General Government	\$ 1,259,920	\$ 1,441,102	\$ 181,182
Health and Human Services	142,039	146,071	4,032
Special Revenue Funds			
Special Assessments Fund	37,100	44,662	7,562
Recycling Fund	360,402	366,958	6,556
Capital Projects Funds			
Capital Projects Fund	1,482,942	2,470,349	987,407
TIF No. 2	877,709	922,531	44,822
TIF No. 3	460,981	612,426	151,445
TIF No. 4	546,432	656,774	110,342

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

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.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS 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).

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, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2017

	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	\$ 568,785	\$ 568,785	\$ -	\$ 634,441	\$ 634,441	\$ -
Intergovernmental revenues	2,000	742	(1,258)	-	14,244	14,244
Commercial revenues	1,000	782	(218)	-	28,049	28,049
Total revenues	<u>571,785</u>	<u>570,309</u>	<u>(1,476)</u>	<u>634,441</u>	<u>676,734</u>	<u>42,293</u>
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Conservation and development	122,349	132,985	(10,636)	113,648	156,117	(42,469)
Capital outlay	-	33,849	(33,849)	-	-	-
Debt service						
Principal	675,000	675,000	-	275,000	385,000	(110,000)
Interest and fiscal charges	80,360	80,697	(337)	72,333	71,309	1,024
Total expenditures	<u>877,709</u>	<u>922,531</u>	<u>(44,822)</u>	<u>460,981</u>	<u>612,426</u>	<u>(151,445)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(305,924)</u>	<u>(352,222)</u>	<u>(46,298)</u>	<u>173,460</u>	<u>64,308</u>	<u>(109,152)</u>
OTHER FINANCING SOURCES (USES)						
Gain/(loss) on sale of land	-	(121,298)	(121,298)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(121,298)</u>	<u>(121,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (305,924)</u>	<u>(473,520)</u>	<u>\$ (167,596)</u>	<u>\$ 173,460</u>	<u>64,308</u>	<u>\$ (109,152)</u>
FUND BALANCES (DEFICIT), JANUARY 1		<u>197,917</u>			<u>(206,814)</u>	
FUND BALANCES (DEFICIT), DECEMBER 31		<u>\$ (275,603)</u>			<u>\$ (142,506)</u>	

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
\$ -	\$ 114,647	\$ 114,647	\$ 372,000	\$ 372,000	\$ -
3,000	6,120	3,120	-	25,209	25,209
-	20,353	20,353	-	10,344	10,344
3,000	141,120	138,120	372,000	407,553	35,553
-	-	-	224,922	128,839	96,083
188,239	218,038	(29,799)	-	-	-
-	-	-	1,258,020	2,245,426	(987,406)
240,000	272,017	(32,017)	-	82,817	(82,817)
118,193	166,719	(48,526)	-	13,267	(13,267)
546,432	656,774	(110,342)	1,482,942	2,470,349	(987,407)
(543,432)	(515,654)	27,778	(1,110,942)	(2,062,796)	(951,854)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (543,432)</u>	<u>(515,654)</u>	<u>\$ 27,778</u>	<u>\$ (1,110,942)</u>	<u>(2,062,796)</u>	<u>\$ (951,854)</u>
	<u>(2,218,454)</u>			<u>815,588</u>	
	<u>\$ (2,734,108)</u>			<u>\$ (1,247,208)</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

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).

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 Library. The accounts are segregated from the General Fund because a significant portion of the Library's 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 the Village.

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 and Recreation Program Fund - This fund accounts for the operation of the Park and 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 and Recreation Department and the Library received funds from Naomi Strehlow to use on children's activities. This fund is used to account for the revenue and expenditures.

SPECIAL REVENUE FUNDS (Continued)

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

Community Vibes Fund - 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's Community Vibes events.

Municipal Court Fund - This fund accounts for fees collected on conviction of Municipal Court citations. To provide court services for the Village.

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

Tourism Commission Fund - This fund accounts for revenues that exceed the amount of room tax revenue a municipality may retain. The room tax revenue must be spent on tourism promotion and tourism development. It cannot be spent directly by the municipality.

VILLAGE OF BROWN DEER, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling
ASSETS					
Cash and cash equivalents	\$ 237,705	\$ 239,721	\$ 241,126	\$ 12,215	\$ 935,980
Receivables, net					
Taxes					
Tax levy	-	253,266	-	-	141,954
Special assessments on tax roll	32,414	-	-	-	-
Accounts	283	484	30,659	16	1,159
TOTAL ASSETS	\$ 270,402	\$ 493,471	\$ 271,785	\$ 12,231	\$ 1,079,093
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 9,115	\$ 24,680	\$ 23,437	\$ -	\$ 75,729
Due to other governments	-	-	36	-	-
Unearned revenues	-	-	41	-	-
Total liabilities	9,115	24,680	23,514	-	75,729
DEFERRED INFLOWS OF RESOURCES					
Subsequent year tax levy	-	385,346	-	-	329,920
Other deferred inflows	-	-	-	-	-
Total deferred inflows of resources	-	385,346	-	-	329,920
FUND BALANCES					
Restricted	-	83,445	-	12,231	-
Committed	261,287	-	248,271	-	673,444
Unassigned	-	-	-	-	-
Total fund balances (deficit)	261,287	83,445	248,271	12,231	673,444
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 270,402	\$ 493,471	\$ 271,785	\$ 12,231	\$ 1,079,093

Special Revenue Funds									
Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes	Tourism Commission	Municipal Court	Policing Services	Debt Service	Total	
\$ 137,501	\$ 82,021	\$ 18,340	\$ 2,539	\$ 79,239	\$ 254,510	\$ 9,072	\$ 369,614	\$ 2,619,583	
31,219	-	-	-	-	-	-	511,835	938,274	
-	-	-	-	-	-	-	-	32,414	
4,925	-	-	-	-	-	-	134	37,660	
<u>\$ 173,645</u>	<u>\$ 82,021</u>	<u>\$ 18,340</u>	<u>\$ 2,539</u>	<u>\$ 79,239</u>	<u>\$ 254,510</u>	<u>\$ 9,072</u>	<u>\$ 881,583</u>	<u>\$ 3,627,931</u>	
\$ 2,227	\$ -	\$ 270	\$ -	\$ 10,000	\$ 13,929	\$ -	\$ -	\$ 159,387	
-	-	-	-	-	-	-	-	36	
3,450	-	-	-	-	-	-	-	3,491	
<u>5,677</u>	<u>-</u>	<u>270</u>	<u>-</u>	<u>10,000</u>	<u>13,929</u>	<u>-</u>	<u>-</u>	<u>162,914</u>	
47,500	-	-	-	-	-	-	778,760	1,541,526	
-	-	-	-	-	-	9,167	-	9,167	
<u>47,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,167</u>	<u>778,760</u>	<u>1,550,693</u>	
-	82,021	18,070	2,539	69,239	240,581	-	102,823	610,949	
120,468	-	-	-	-	-	-	-	1,303,470	
-	-	-	-	-	-	(95)	-	(95)	
<u>120,468</u>	<u>82,021</u>	<u>18,070</u>	<u>2,539</u>	<u>69,239</u>	<u>240,581</u>	<u>(95)</u>	<u>102,823</u>	<u>1,914,324</u>	
<u>\$ 173,645</u>	<u>\$ 82,021</u>	<u>\$ 18,340</u>	<u>\$ 2,539</u>	<u>\$ 79,239</u>	<u>\$ 254,510</u>	<u>\$ 9,072</u>	<u>\$ 881,583</u>	<u>\$ 3,627,931</u>	

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2017

	Special Revenue Funds				
	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling
REVENUES					
Taxes	\$ -	\$ 385,346	\$ -	\$ -	\$ -
Intergovernmental revenues	-	87,778	156,231	-	43,622
Licenses and permits	-	-	157,254	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Public charges for services	-	24,619	18,029	-	329,934
Public improvement revenues	59,783	-	-	-	-
Intergovernmental charges for services	-	-	465,702	-	-
Commercial revenues	-	48,929	2,329	12,306	17,718
Total revenues	59,783	546,672	799,545	12,306	391,274
EXPENDITURES					
Current					
Public safety	-	-	-	4,851	-
Public works	44,662	-	-	-	366,958
Health and human services	-	-	712,455	-	-
Culture, recreation, and education	-	536,443	-	-	-
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	44,662	536,443	712,455	4,851	366,958
NET CHANGE IN FUND BALANCES	15,121	10,229	87,090	7,455	24,316
FUND BALANCES, (DEFICIT) JANUARY 1	246,166	73,216	161,181	4,776	649,128
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 261,287	\$ 83,445	\$ 248,271	\$ 12,231	\$ 673,444

Special Revenue Funds								
Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes	Tourism Commission	Municipal Court	Policing Services	Debt Service	Total
\$ 47,500	\$ -	\$ -	\$ -	\$ 79,239	\$ -	\$ -	\$ 846,558	\$ 1,358,643
44,885	-	-	-	-	-	-	-	332,516
-	-	-	-	-	-	-	-	157,254
-	-	-	-	-	472,765	-	-	472,765
127,240	-	-	-	-	-	-	-	499,822
-	-	-	-	-	-	-	-	59,783
-	-	-	-	-	-	-	-	465,702
29,097	396	8,398	14,741	-	-	110,213	1,501	245,628
248,722	396	8,398	14,741	79,239	472,765	110,213	848,059	3,592,113
-	-	-	-	-	232,184	110,000	-	347,035
1,909	-	-	-	-	-	-	-	413,529
-	-	-	-	-	-	-	-	712,455
236,657	4,625	7,849	13,944	10,000	-	-	-	809,518
-	-	-	-	-	-	-	637,637	637,637
-	-	-	-	-	-	-	204,314	204,314
238,566	4,625	7,849	13,944	10,000	232,184	110,000	841,951	3,124,488
10,156	(4,229)	549	797	69,239	240,581	213	6,108	467,625
110,312	86,250	17,521	1,742	-	-	(308)	96,715	1,446,699
\$ 120,468	\$ 82,021	\$ 18,070	\$ 2,539	\$ 69,239	\$ 240,581	\$ (95)	\$ 102,823	\$ 1,914,324

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	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	-	-	-	87,200	87,778	578
Licenses and permits	-	-	-	-	-	-
Public charges for services	-	-	-	32,700	24,619	(8,081)
Public improvement revenues	42,200	59,783	17,583	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Commercial revenues	-	-	-	44,033	48,929	4,896
Total revenues	42,200	59,783	17,583	549,279	546,672	(2,607)
EXPENDITURES						
Current						
Public works	37,100	44,662	(7,562)	-	-	-
Health and human services	-	-	-	-	-	-
Culture, recreation, and education	-	-	-	549,279	536,443	12,836
Capital outlay	-	-	-	-	-	-
Total expenditures	37,100	44,662	(7,562)	549,279	536,443	12,836
NET CHANGE IN FUND BALANCES	<u>\$ 5,100</u>	15,121	<u>\$ 10,021</u>	<u>\$ -</u>	10,229	<u>\$ 10,229</u>
FUND BALANCES, JANUARY 1		<u>246,166</u>			<u>73,216</u>	
FUND BALANCES, DECEMBER 31		<u>\$ 261,287</u>			<u>\$ 83,445</u>	

<u>North Shore Health Department Fund</u>			<u>Recycling Fund</u>			<u>Park and Recreation Program Fund</u>		
<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,500	\$ 47,500	\$ -
140,238	156,231	15,993	30,000	43,622	13,622	32,819	44,885	12,066
98,000	157,254	59,254	-	-	-	-	-	-
15,000	18,029	3,029	332,560	329,934	(2,626)	129,991	127,240	(2,751)
-	-	-	-	-	-	-	-	-
466,018	465,702	(316)	-	-	-	-	-	-
-	2,329	2,329	7,700	17,718	10,018	26,250	29,097	2,847
719,256	799,545	80,289	370,260	391,274	21,014	236,560	248,722	12,162
-	-	-	360,402	366,958	(6,556)	-	1,909	(1,909)
719,256	712,455	6,801	-	-	-	-	-	-
-	-	-	-	-	-	241,941	236,657	5,284
-	-	-	-	-	-	1,500	-	1,500
719,256	712,455	6,801	360,402	366,958	(6,556)	243,441	238,566	4,875
<u>\$ -</u>	<u>87,090</u>	<u>\$ 87,090</u>	<u>\$ 9,858</u>	<u>24,316</u>	<u>\$ 14,458</u>	<u>\$ (6,881)</u>	<u>10,156</u>	<u>\$ 17,037</u>
	<u>161,181</u>			<u>649,128</u>			<u>110,312</u>	
	<u>\$ 248,271</u>			<u>\$ 673,444</u>			<u>\$ 120,468</u>	

(See independent auditor's report.)

DEBT SERVICE 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, WISCONSIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2017

	<u>Original and</u>		<u>Variance</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>with</u>
			<u>Final Budget</u>
REVENUES			
Taxes	\$ 846,558	\$ 846,558	\$ -
Commercial revenues	-	1,501	1,501
	<hr/>		
Total revenues	846,558	848,059	1,501
	<hr/>		
EXPENDITURES			
Debt service			
Principal	654,654	637,637	17,017
Interest and fiscal charges	191,904	204,314	(12,410)
	<hr/>		
Total expenditures	846,558	841,951	4,607
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	6,108	(3,106)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	6,108	<u>\$ (3,106)</u>
FUND BALANCE, JANUARY 1		<u>96,715</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 102,823</u>	

(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, WISCONSIN

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND**

For the Year Ended December 31, 2017

	Balance Beginning	Additions	Deletions	Balance Ending
Property Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 6,510,380	\$ 6,785,882	\$ 6,510,380	\$ 6,785,882
Taxes receivable	13,819,808	12,931,937	13,819,808	12,931,937
TOTAL ASSETS	\$ 20,330,188	\$ 19,717,819	\$ 20,330,188	\$ 19,717,819
LIABILITIES				
Accounts payable and accrued liabilities	\$ 29,981	\$ 87,890	\$ 29,981	\$ 87,890
Due to other taxing units	20,300,207	19,629,929	20,300,207	19,629,929
TOTAL LIABILITIES	\$ 20,330,188	\$ 19,717,819	\$ 20,330,188	\$ 19,717,819

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Village of Brown Deer, Wisconsin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	78-83
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	84-87
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	88-91
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	92-93
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	94-95

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF BROWN DEER, WISCONSIN

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012 (2)	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 6,521,521	\$ 7,896,810	\$ 7,151,972	\$ 7,745,484	\$ 8,555,686	\$ 8,676,378	\$ 8,138,711	\$ 9,697,949	\$ 12,820,500	\$ 13,297,777
Restricted	158,908	139,934	136,004	134,846	171,303	1,806,405	1,905,497	2,098,623	1,573,881	328,904
Unrestricted	(6,454,081)	(8,017,081)	(7,468,247)	(8,571,699)	(8,788,772)	(6,682,496)	(4,977,570)	(3,531,032)	(10,893,760)	(10,767,434)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 226,348	\$ 19,663	\$ (180,271)	\$ (691,369)	\$ (61,783)	\$ 3,800,287	\$ 5,066,638	\$ 8,265,540	\$ 3,500,621	\$ 2,859,247
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 10,817,430	\$ 11,324,970	\$ 12,202,860	\$ 12,438,719	\$ 12,772,500	\$ 12,860,819	\$ 13,703,830	\$ 12,291,770	\$ 12,657,986	\$ 12,744,668
Restricted	256,627	270,574	285,153	306,799	336,488	367,285	-	-	77,706	-
Unrestricted	2,414,521	2,719,583	2,006,739	2,206,903	2,502,804	2,498,666	2,546,370	3,502,002	3,810,783	3,916,930
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 13,488,578	\$ 14,315,127	\$ 14,494,752	\$ 14,952,421	\$ 15,611,792	\$ 15,726,770	\$ 16,250,200	\$ 15,793,772	\$ 16,546,475	\$ 16,661,598
PRIMARY GOVERNMENT										
Net investment in capital assets (1)	\$ 17,338,951	\$ 19,221,780	\$ 19,354,832	\$ 19,963,636	\$ 21,114,209	\$ 21,330,016	\$ 21,842,541	\$ 21,989,719	\$ 25,478,486	\$ 26,042,445
Restricted	415,535	410,508	421,157	441,645	507,791	2,173,690	1,905,497	2,098,623	1,651,587	328,904
Unrestricted	(4,039,560)	(5,297,498)	(5,461,508)	(6,144,229)	(6,071,991)	(3,976,649)	(2,431,200)	(29,030)	(7,082,977)	(6,850,504)
TOTAL PRIMARY GOVERNMENT	\$ 13,714,926	\$ 14,334,790	\$ 14,314,481	\$ 14,261,052	\$ 15,550,009	\$ 19,527,057	\$ 21,316,838	\$ 24,059,312	\$ 20,047,096	\$ 19,520,845

(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.

Data Source

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016	2017
EXPENSES										
Governmental Activities										
General government	\$ 1,604,219	\$ 1,399,299	\$ 1,294,235	\$ 1,344,051	\$ 1,273,135	\$ 1,551,039	\$ 1,754,475	\$ 1,627,637	\$ 1,739,455	\$ 1,975,512
Public safety	6,027,981	6,085,914	5,871,990	6,440,420	6,695,189	6,313,518	6,428,471	6,378,649	7,219,626	7,646,224
Public works	2,725,520	2,637,864	2,396,016	2,738,878	2,787,379	2,903,734	2,797,339	2,202,006	2,666,185	2,727,200
Health and human services	585,576	639,859	567,554	592,289	815,587	823,513	895,149	729,305	916,806	951,163
Culture, recreation and education	1,158,463	1,155,647	1,222,130	1,180,413	1,073,182	1,111,854	1,153,251	1,064,661	1,255,017	1,293,081
Conservation and development	5,188,719	1,153,886	926,179	836,638	272,050	131,899	96,966	3,339,845	3,862,232	666,323
Interest and fiscal charges	767,327	779,652	898,923	900,832	773,085	752,513	675,456	668,028	695,522	548,684
Total government activities expense	18,057,805	13,852,121	13,177,027	14,033,521	13,689,607	13,588,070	13,801,107	16,010,131	18,354,843	15,808,187
BUSINESS-TYPE ACTIVITIES										
Water utility	1,338,455	1,285,391	1,257,481	1,373,831	1,412,419	1,317,513	1,428,306	1,290,611	1,355,672	1,637,238
Storm water utility	586,526	696,986	516,569	544,299	544,483	580,123	585,368	874,183	970,326	944,710
Sewer utility	1,271,182	1,113,731	1,480,800	1,423,391	1,272,097	1,640,202	1,410,184	1,636,935	1,409,949	1,781,132
Total business-type activities expense	3,196,163	3,096,108	3,254,850	3,341,521	3,228,999	3,537,838	3,423,858	3,801,729	3,735,947	4,363,080
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 21,253,968	\$ 16,948,229	\$ 16,431,877	\$ 17,375,042	\$ 16,918,606	\$ 17,125,908	\$ 17,224,965	\$ 19,811,860	\$ 22,090,790	\$ 20,171,267
PROGRAM REVENUES										
Governmental Activities										
Charges for services										
General government	170,454	233,401	224,517	235,111	499,387	379,149	370,437	661,685	632,618	483,365
Public safety	527,206	442,000	387,979	403,111	473,061	415,983	607,527	485,849	575,664	662,902
Public works	260,905	422,678	341,960	375,275	423,741	374,993	370,938	339,427	345,620	341,315
Health and human services	295,159	260,891	263,814	433,146	459,251	588,915	589,352	189,750	194,654	244,113
Culture, recreation and education	314,188	302,632	310,925	306,447	286,574	134,982	140,759	297,546	309,330	312,246
Conservation and development	59,169	9,500	-	-	-	-	-	7,000	63,325	(9,766)
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	782,055	753,316	759,543	686,607	864,150	947,594	379,976	1,000,103	1,147,705	1,114,547
Capital grants and contributions	69,751	1,166,530	39,700	181,220	83,475	1,488,274	363,815	98,920	53,098	83,950
Total governmental activities program revenues	2,478,887	3,590,948	2,328,438	2,620,917	3,089,639	4,329,890	2,822,804	3,080,280	3,322,014	3,232,672
Business-Type Activities										
Charges for services										
Water utility	1,550,763	1,527,206	1,548,514	1,573,212	1,750,070	1,628,368	1,672,947	1,774,802	1,951,332	1,873,077
Storm water utility	756,703	753,407	756,220	898,483	884,737	1,002,088	914,845	1,008,163	1,152,067	1,040,282
Sewer utility	1,191,308	1,226,339	1,295,464	1,310,263	1,398,628	1,351,461	1,566,191	1,534,534	1,686,576	1,799,085
Capital grants and contributions	510,239	579,555	6,840	227,012	91,176	-	30,196	117,307	-	-
Total business-type activities program revenues	4,009,013	4,086,507	3,607,038	4,008,970	4,124,611	3,981,917	4,184,179	4,434,806	4,789,975	4,712,444
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 6,487,900	\$ 7,677,455	\$ 5,935,476	\$ 6,629,887	\$ 7,214,250	\$ 8,311,807	\$ 7,006,983	\$ 7,515,086	\$ 8,111,989	\$ 7,945,116

VILLAGE OF BROWN DEER, WISCONSIN

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016	2017
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (15,578,918)	\$ (10,261,173)	\$ (10,848,589)	\$ (11,412,604)	\$ (10,599,968)	\$ (9,258,180)	\$ (10,978,303)	\$ (12,929,851)	\$ (15,032,829)	\$ (12,575,515)
Business-Type Activities	812,850	990,399	352,188	667,449	895,612	444,079	760,321	633,077	1,054,028	349,364
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (14,766,068)	\$ (9,270,774)	\$ (10,496,401)	\$ (10,745,155)	\$ (9,704,356)	\$ (8,814,101)	\$ (10,217,982)	\$ (12,296,774)	\$ (13,978,801)	\$ (12,226,151)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Property taxes	\$ 8,107,615	\$ 8,334,365	\$ 8,764,225	\$ 8,788,024	\$ 9,307,851	\$ 9,127,458	\$ 9,204,538	\$ 9,034,450	\$ 9,301,172	\$ 9,299,564
Hotel room taxes	594,277	433,152	476,934	492,759	504,958	580,404	589,710	613,636	631,186	668,949
Intergov't revenues not restr to spec programs	834,519	809,936	815,719	981,580	900,234	1,445,459	1,518,812	1,540,137	676,860	1,074,779
Investment income	521,324	173,266	279,908	258,171	187,040	77,035	339,210	78,035	41,633	58,172
Miscellaneous	249,968	83,884	72,142	125,533	48,650	226,206	250,739	1,360,402	706,194	547,928
Gain on sale/disposal of capital assets	-	-	-	-	-	124,236	53,985	16,482	33,761	-
Special item-forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers	200,566	219,885	239,727	255,439	280,821	297,558	287,660	1,761,141	305,623	285,566
Total Governmental Activities	10,508,269	10,054,488	10,648,655	10,901,506	11,229,554	11,878,356	12,244,654	14,404,283	11,696,429	11,934,958
Business-Type Activities										
Investment income	126,918	56,035	67,164	45,659	44,580	28,999	48,019	41,362	6,147	51,325
Gain on sale/disposal of capital assets	-	-	-	-	-	3,502	2,750	53,301	53,301	-
Transfers	(200,566)	(219,885)	(239,727)	(255,439)	(280,821)	(297,558)	(287,660)	(1,761,141)	(1,761,141)	(285,566)
Total Business-Type Activities	(73,648)	(163,850)	(172,563)	(209,780)	(236,241)	(265,057)	(236,891)	(1,666,478)	(1,701,693)	(234,241)
TOTAL PRIMARY GOVERNMENT	\$ 10,434,621	\$ 9,890,638	\$ 10,476,092	\$ 10,691,726	\$ 10,993,313	\$ 11,613,299	\$ 12,007,763	\$ 12,737,805	\$ 9,994,736	\$ 11,700,717
CHANGE IN NET POSITION										
Governmental Activities	\$ (5,070,649)	\$ (206,685)	\$ (199,934)	\$ (511,098)	\$ 629,586	\$ 2,620,176	\$ 1,266,351	\$ 1,474,432	\$ (3,336,400)	\$ (640,557)
Business-Type Activities	739,202	826,549	179,625	457,669	659,371	179,022	523,430	(1,033,401)	(647,665)	115,123
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (4,331,447)	\$ 619,864	\$ (20,309)	\$ (53,429)	\$ 1,288,957	\$ 2,799,198	\$ 1,789,781	\$ 441,031	\$ (3,984,065)	\$ (525,434)

(1) Net Position restated in 2013 due to GASB 65 implementation, and restatements for OPEB and CVMIC equity investment.

Note: Past year's revenues and expenses have not been adjusted for restatements made in future years.

[Data Source](#)

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Reserved	\$ 218,234	\$ 86,310	\$ 499,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	416,993	64,112	1,319,557	1,476,882	1,561,726	2,215,973	2,732,748
Restricted	-	-	-	-	-	17,028	17,205	17,205	19,755	27,775
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	54,350	17,028	-	-	-	-	-
Unreserved	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	3,053,356	3,004,558
TOTAL GENERAL FUND	\$ 2,302,847	\$ 2,224,668	\$ 2,610,515	\$ 3,079,333	\$ 3,499,360	\$ 3,913,329	\$ 4,589,294	\$ 4,950,601	\$ 5,289,084	\$ 5,765,081
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 2,992,495	\$ 2,087,634	\$ 1,553,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	185,000	-	-	32,287	-	-	-
Restricted	-	-	-	5,077,401	5,391,888	3,531,736	3,024,197	2,081,418	478,137	610,949
Committed	-	-	-	458,644	565,055	726,188	861,443	1,308,570	1,982,374	1,303,470
Assigned	-	-	-	477,075	355,050	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	1,360,706	1,487,031	589,556	-	-	-	-	-	-	-
Capital Projects Funds	(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)	(2,425,576)	(4,399,520)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	3,450,766	3,559,004	7,220,142	5,816,244	6,311,362	3,087,286	2,449,916	1,838,959	34,935	(2,485,101)
TOTAL FUND BALANCES	\$ 5,753,613	\$ 5,783,672	\$ 9,830,657	\$ 8,895,577	\$ 9,810,722	\$ 7,000,615	\$ 7,039,210	\$ 6,789,560	\$ 5,324,019	\$ 3,279,980

(1) The Village adopted GASB Statement No. 54 in 2011 and this allowed more detailed designations in the Fund Balance category.

Data Source

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 8,701,892	\$ 8,767,517	\$ 9,241,159	\$ 9,280,783	\$ 9,812,808	\$ 9,707,862	\$ 9,794,248	\$ 9,648,087	\$ 9,932,358	\$ 9,968,513
Intergovernmental revenues	1,807,380	1,791,978	1,647,442	1,893,141	1,886,372	1,948,525	2,055,432	2,341,237	1,607,676	1,984,159
Licenses and permits	566,574	497,711	424,692	461,043	544,833	548,142	654,800	586,352	501,658	500,710
Fines, forfeits and penalties	234,898	239,217	252,831	263,121	250,361	220,057	289,517	390,134	442,954	520,349
Charges for services	402,427	598,940	522,458	511,019	566,363	539,128	531,423	531,368	560,733	536,917
Public improvement revenues	35,916	40,832	33,068	38,684	32,202	1,288,553	36,644	74,336	52,925	59,783
Interdepartmental charges for services	185,704	381,808	721,695	695,883	759,625	769,718	775,389	-	-	-
Intergovernmental charges for services	291,341	303,416	283,829	290,537	470,582	462,741	460,779	452,568	456,856	465,702
Commercial revenues	640,312	309,663	333,581	431,476	351,035	254,153	392,581	2,401,584	1,029,326	811,055
Total Revenues	12,866,444	12,931,082	13,460,755	13,865,687	14,674,181	15,738,879	14,990,813	16,425,666	14,584,486	14,847,188
EXPENDITURES										
Current										
General government	1,312,184	1,429,045	1,392,821	1,482,937	1,510,800	1,499,031	1,422,910	1,339,605	1,269,132	1,441,102
Public safety	5,689,106	5,597,110	5,630,157	5,743,693	5,960,230	6,188,928	6,227,041	6,423,754	6,513,500	6,681,457
Public works	2,175,827	2,122,608	2,252,669	2,311,414	2,039,082	2,001,991	2,033,075	1,677,917	1,627,607	1,603,540
Health and human services	700,576	736,367	700,503	716,998	998,174	885,485	950,330	759,991	834,114	858,526
Culture, recreation and education	1,005,877	1,022,048	993,127	1,084,861	979,652	946,877	928,037	994,610	1,034,835	1,005,679
Conservation and development	5,250,100	1,185,021	293,124	849,218	707,572	544,860	511,484	3,549,271	1,092,177	507,140
Capital outlay	1,173,198	715,254	1,777,563	1,684,905	1,597,908	3,612,243	2,980,518	1,233,267	2,433,047	2,279,275
Debt service										
Principal	2,494,258	668,677	1,162,915	1,644,786	1,668,039	2,606,762	1,591,879	1,646,060	2,579,852	2,052,471
Interest and fiscal charges	847,924	748,479	805,618	1,080,744	926,444	704,866	648,720	671,025	620,584	536,306
Total Expenditures	20,649,050	14,224,609	15,008,497	16,599,556	16,387,901	18,991,043	17,293,994	18,295,500	18,004,848	16,965,496
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,782,606)	(1,293,527)	(1,547,742)	(2,733,869)	(1,713,720)	(3,252,164)	(2,303,181)	(1,869,834)	(3,420,362)	(2,118,308)

VILLAGE OF BROWN DEER, WISCONSIN

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 1,366,041	\$ 233,485	\$ 1,296,079	\$ 255,439	\$ 312,669	\$ 297,558	\$ 287,660	\$ 306,201	\$ 305,623	\$ 285,566
Transfers (out)	(1,165,475)	(13,600)	(1,056,352)	-	(31,848)	-	(90,000)	(90,632)	(90,000)	(90,000)
Gain (loss) on sale of land	-	-	-	-	-	-	-	-	-	(121,298)
Debt										
General obligation debt issued	690,000	1,474,439	5,355,000	1,532,000	6,605,778	-	2,025,000	1,410,000	2,655,000	-
Premium on debt issued	-	5,174	-	4,473	66,063	-	39,117	-	84,856	-
Discount on debt issued	-	-	-	-	-	-	-	-	-	-
Refunded general obligation debt	-	(375,912)	-	-	-	-	-	-	1,655,000	-
Payment of unfunded pension liability	-	-	-	-	-	-	-	-	-	-
Payment to fiscal agent	-	-	-	-	(4,323,797)	-	-	-	(1,628,987)	-
Sale of capital assets	13,509	-	-	6,878	-	144,499	79,999	28,786	51,848	-
Total Other Financing Sources (Uses)	904,075	1,323,586	5,594,727	1,798,790	2,628,865	442,057	2,341,776	1,654,355	3,033,340	74,268
NET CHANGE IN FUND BALANCES	\$ (6,878,531)	\$ 30,059	\$ 4,046,985	\$ (935,079)	\$ 915,145	\$ (2,810,107)	\$ 38,595	\$ (215,479)	\$ (387,022)	\$ (2,044,040)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	17.16%	10.49%	14.88%	18.27%	17.54%	21.53%	15.65%	13.58%	20.55%	17.63%

Note: Past year's revenues and expenditures have not been adjusted for restatements made in future years.

Data Source

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

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
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	306,068,900	27,654,700	1,700	27,888,200	894,032,800	9.27	899,594,200	99.38%
2016	532,629,200	309,139,100	28,672,800	1,700	28,557,000	898,999,800	9.26	912,669,500	98.50%
2017	533,211,700	313,198,000	33,524,500	1,700	23,500,300	903,436,200	9.33	928,060,700	97.35%

*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-valuation in which all properties were reassessed.

Note: The Village conducted a Village-wide property re-valuation in which all properties were reassessed.

Data Source

Wisconsin Department of Revenue

VILLAGE OF BROWN DEER, WISCONSIN

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Valuation)

Last Ten Fiscal Years

Tax Year	Collection Year	Direct Rates								Overlapping Rates						Net Tax Rate
		Village	Capital Improvement	Equipment Repl	Other Special Revenue Funds	Library	Debt Service	TID Incr	Total Direct	Brown Deer School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metro Sewerage District	State of Wisconsin	State Tax Credit	
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	7.23	0.44	-	0.06	0.45	1.09	-	9.27	15.76	1.26	5.13	1.74	0.17	(2.68)	30.65
2016	2017	7.20	0.46	-	0.06	0.48	1.06	-	9.26	15.17	1.27	5.16	1.77	0.17	(2.66)	30.14
2017	2018	7.27	0.46	-	0.06	0.48	1.06	-	9.33	14.52	1.29	5.19	1.77	-	(2.87)	29.23

Data Source

Village of Brown Deer Adopted Budget

VILLAGE OF BROWN DEER, WISCONSIN

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Type of Business	2017			2008		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brown Deer Center LLC	Property Mgmt	\$ 20,032,900	1	2.22%	\$ 26,465,900	1	2.38%
Del Norte Plaza, LLC	Property Mgmt	15,266,800	2	1.69%			
Burnham 4401 LTD	Property Mgmt	15,196,000	3	1.68%			
Brown Deer Market WI LLC	Property Mgmt	13,897,500	4	1.54%			
Beaver Creek, LLC	Property Mgmt	13,710,900	5	1.52%			
FIS (Fidelity Information Systems)	Data Processing	12,400,000	6	1.37%	15,555,400	3	1.40%
North Pointe Apartments Ltd.	Property Mgmt	11,528,000	7	1.28%	11,610,400	5	1.04%
Walmart	Retail	11,000,000	8	1.22%			
Milwaukee Riverplace LLC	Property Mgmt	10,500,000	9	1.16%	9,000,000	7	0.81%
Community Television (WITI TV 6)	Television Station	8,306,200	10	0.92%	7,920,300	10	0.71%
Lowe's	Retail				11,278,500	6	1.01%
Park Plaza Apartments	Property Mgmt						
Brook Lane Apartments	Property Mgmt				7,949,700	9	0.71%
Mutual Savings Bank	Financial Institution				8,102,900	8	0.73%
Deer Run Apartments	Property Mgmt				15,846,700	2	1.42%
Brown Deer Business Park-WI TWO, LLC	Property Mgmt				14,494,400	4	1.30%
Total		\$ 81,342,600		14.59%	\$ 101,758,300		11.51%

Based on total Assessed Value

2008 \$ 1,114,293,500

2017 903,436,200

Data Sources

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

VILLAGE OF BROWN DEER, WISCONSIN

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

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
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	9,198,977	98.90%	5,554	9,204,531	98.96%
2016	2017	9,299,564	9,151,457	98.41%	64,118	9,215,575	99.10%
2017	2018	9,377,121	*	0.00%	*	*	0.00%

*Data for the 2017 Collection Year is not yet available.

Data Source

Village records

VILLAGE OF BROWN DEER, WISCONSIN

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

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
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	24,407,619	59,182	24,348,437	942,430,400	2.58%	12,102	2,011.93
2015	23,545,164	11,568	23,533,596	899,594,200	2.62%	12,217	1,926.30
2016	24,479,182	96,715	24,382,467	912,669,500	2.67%	12,102	2,014.75
2017	22,041,710	102,823	21,938,887	928,060,700	2.36%	12,340	1,777.87

VILLAGE OF BROWN DEER, WISCONSIN

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

Fiscal Year	Governmental Activities				Business Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Anticipation Notes	Notes Payable to Other Municipalities	Tax Increment Project Revenue Bonds Payable	General Obligation Bonds/Notes				
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	18,024,031	-	629,673	-	5,521,133	24,174,837	2.55%	1,978.79	
2016	18,144,655	-	549,527	-	5,785,000	24,479,182	2.70%	2,022.74	
2017	16,285,000	-	466,712	-	5,290,000	22,041,712	*	1,786.20	

*Data for 2017 Personal Income is not yet available.

Data Source

Wisconsin Departments of Revenue and Administration

VILLAGE OF BROWN DEER, WISCONSIN

SCHEDULE OF LEGAL DEBT MARGIN

Last Ten Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equalized value of real and personal property	\$ 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	\$ 912,669,500	\$ 928,060,700
General Obligation Debt Limit 5% of equalized valuation per Section 67.03 of the Wisconsin Statutes	57,208,645	56,400,170	53,740,210	51,907,010	48,138,800	46,358,130	47,121,520	44,979,710	45,633,475	46,403,035
Amount of debt applicable to debt limitation General obligation bonds/notes	18,815,943	18,876,538	22,641,828	23,807,985	24,758,575	22,140,050	24,407,619	23,545,164	24,479,182	22,041,710
Less amount available for financing GO debt	21,793	30,797	17,009	21,766	104,491	58,465	59,182	11,568	96,715	102,823
Net O/S GO Debt Applicable to Debt Limitation	18,794,150	18,845,741	22,624,819	23,786,219	24,654,084	22,081,585	24,348,437	23,533,596	24,382,467	21,938,887
LEGAL MARGIN FOR NEW DEBT	38,414,495	37,554,429	31,115,391	28,120,791	23,484,716	24,276,545	22,773,083	21,446,114	21,251,008	24,464,148
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	32.85%	33.41%	42.10%	45.82%	51.21%	47.63%	51.67%	52.32%	53.43%	47.28%

Data Source

Village records

VILLAGE OF BROWN DEER, WISCONSIN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village	\$ 18,391,710	100%	\$ 18,391,710
Milwaukee Area Technical College	81,905,000	1.34%	1,097,527
Milwaukee County	981,205,000	1.65%	16,189,883
Brown Deer School District	26,276,000	100%	26,276,000
Milwaukee Metropolitan Sewage District	<u>881,200,000</u>	1.68%	<u>14,804,160</u>
Total Overlapping	<u>1,970,586,000</u>		<u>58,367,570</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 1,988,977,710</u></u>		<u><u>\$ 76,759,280</u></u>

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.

Data Source

Prior year's Village Bond Issuance

VILLAGE OF BROWN DEER, WISCONSIN

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Year	Population	Adjusted Gross Income	Adjusted Gross Income per Return			Annual Average Unemployment Rates	
			Village of Brown Deer	Milwaukee County	State of Wisconsin	Milwaukee County	State of Wisconsin
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	216,378,266	47,935	48,533	54,227	5.80%	4.60%
2016	12,305	214,414,192	47,343	49,692	55,267	5.00%	4.00%
2017	12,340	*	*	*	*	4.00%	3.30%

*Data not yet available for 2017

Data Sources

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

VILLAGE OF BROWN DEER, WISCONSIN

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Type of Business	2016**			2007		
		Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
FIS (Fidelity Information Systems)	Data Processing	2,700	1	0.61%	1,125	1	0.25%
Signicast	Manufacturer of Ferrous investment castings	685	2	0.15%			
Badger Meter	Water meter manufacturing	530	3	0.12%	485	3	0.11%
MILSCO Manufacturing	Manufacturer of office chairs	481	4	0.11%			
YMCA (Young Men's Christian Association)*	Civil and social organizations	340	5	0.08%	175	6	0.04%
Rite Hite Corporation (Hdqtrs)	Manufacturers of mechanical and hydraulic lifts	240	6	0.05%			
Brown Deer Public Schools	Elementary and secondary schools	222	7	0.05%			
New World Communications/TV 6	Television broadcasting	210	8	0.05%	210	5	0.05%
Village of Brown Deer	Government	175	9	0.04%			
U Line Corp*	Household refrigerator manufacturing	175	10	0.04%	175	7	0.04%
M&I Support Services Corp*	Commercial banking			0.00%	375	4	0.08%
Guaranty Bank*	Savings institutions			0.00%	580	2	0.13%
Sheraton Milwaukee North*	Hotel			0.00%	175	9	0.04%
Pick 'n Save*	Supermarkets			0.00%	175	8	0.04%
GB Home Equity*	Sales financing			0.00%	175	10	0.04%
Total		5,758		1.29%	3,650		0.81%

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

**2017 information not available as in prior CAFR's, we did not include this data.

Data Source

Wisconsin Department of Workforce Development

VILLAGE OF BROWN DEER, WISCONSIN

VARIOUS STATISTICS

Last Ten Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Village Employees										
General Government										
Village Manager	3	3	3	3	2	3	3	3	3	3
Administration	4	5	5	5	5	4	4	4	4	5
Court	1	2	2	2	1	2	2	2	2	2
Health	7	7	7	6	8	8	8	8	8	8
Library	17	18	16	13	14	14	16	9	7	7
Parks and recreation	4	3	3	2	3	3	3	3	3	2
Water utility	3	3	3	3	2	2	2	2	2	2
Public works	13	12	12	11	10	12	12	13	12	12
Public safety										
Police	35	37	36	33	34	33	35	35	35	35
Community services										
Engineering	3	3	3	2	2	2	2	2	2	2
Inspection/maintenance	3	3	3	2	2	2	2	3	3	3
Total Village Employees	93	96	93	82	83	85	89	84	81	81
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 and 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	68	68	68	68	68	68	68	68	68	68
Number of hydrants	669	671	671	671	672	672	672	676	676	676
Daily average consumption (gallons)	1,365,178	1,297,893	1,260,553	1,369,148	1,442,126	1,119,688	1,250,000	1,500,000	1,177,260	1,108,000
Wastewater Utility										
Miles of sanitary sewer	51	51	51	51	53	53	53	53	53	53
Miles of storm sewer	10	10	10	10	16	17	17	17	17	17

Data Source

Various Village departments

VILLAGE OF BROWN DEER, WISCONSIN

OPERATING INDICATORS

Ten Year Trend

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Calls for service	**	**	**	**	**	15,086	13,250	13,515	14,254	15,562
Cases generated	*	*	*	*	*	*	*	1,760	1,935	-
Parking citations	1,158	886	1,268	800	1,076	1,112	841	1,094	1,388	1,672
Enforcement actions										
Traffic related	3,573	4,767	3,719	4,361	3,566	4,094	3,075	4,336	4,248	4,502
Ordinance	*	*	*	*	*	*	*	805	728	648
Custodial arrest	*	*	*	*	*	*	*	723	924	-
Physical arrests	850	922	884	950	684	598	738	*	*	*
Complaints	1,536	1,486	1,407	1,503	1,537	1,521	1,752	*	*	*
Prisoner handling	282	323	224	310	304	242	*	*	*	*
General Government										
Building permits issued	309	328	209	206	170	242	257	258	257	251
Library										
Registered users	6,833	7,370	7,714	8,011	8,322	8,634	8,950	9,212	6,997	6,626
Circulation transactions	250,126	247,649	241,399	222,383	218,980	198,645	195,278	184,827	174,470	163,314
Park and Recreation										
Recreation programs	122	112	101	100	95	90	95	98	75	92
Recreation program registration	2,933	2,686	2,421	3,003	2,577	1,935	1,959	2,256	2,226	2,165
Pond attendance	7,238	7,048	9,391	9,215	10,375	6,115	4,862	5,855	6,453	6,106
Water Utility										
Number of customers	3,789	3,817	3,825	3,829	3,736	3,739	3,735	3,731	3,743	3,751
Gallons sold (millions)	455,405	428,322	425,090	427,673	469,538	408,686	411,828	410,770	429,700	404,000
Public fire protection service customers	3,544	3,562	3,571	3,575	3,579	3,580	3,586	3,585	3,592	3,594
Private fire protection service customers	**	**	**	**	**	**	**	**	128	129
Northshore Health Department										
Blood pressure screenings	357	195	123	132	267	65	73	206	254	249
Immunizations	819	623	598	682	772	883	658	761	604	622
Restaurant inspections (BD only)	81	87	78	80	130	116	154	147	106	336***

* Prisoner Handling is no longer tracked

** Not Previously Reported

*** City of Glendale joined the North Shore Environmental Health Consortium which increased licenses by 27%

Data Source

Various Village departments