

VILLAGE OF **BROWN DEER**



**Milwaukee County, Wisconsin
Comprehensive Annual Financial Report
As of and For the Year Ended
December 31, 2014**

VILLAGE OF BROWN DEER, WISCONSIN
Brown Deer, Wisconsin

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2014

Prepared by
The Office of the Treasurer/Comptroller

Treasurer/Comptroller
Accountant
Village Manager

Susan Hudson
Nicole Theys
Michael Hall

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INTRODUCTORY SECTION



July 29, 2015

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, 2014, is herein submitted. This report consists of management's representations concerning the finances of the Village of Brown Deer ("Village"). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Brown Deer has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Brown Deer's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Brown Deer's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Brown Deer's financial statements have been audited by CliftonLarsonAllen, 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, 2014, 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, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

COMMUNITY PROFILE

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

The Village started as a small settlement in the 1850's along the Milwaukee River at the intersection of what is now Highways 100 and 57. The unincorporated Village grew modestly as part of the Town of Granville until the 1950's. In 1955 the Village incorporated, and in 1962, after a series of annexation battles with the City of Milwaukee, assumed its present boundaries. As a result of the 1962 court settlement with the City of Milwaukee, the Brown Deer School District also shares the Village's boundaries. The Village's population has remained relatively constant since before 1990 at approximately 12,000 residents. The current population of the Village is 12,086.

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 2014, Milwaukee County had an unemployment rate of 6.5% compared to the State of Wisconsin at 5.2%. The new 2010 census data adjusted the Village’s population to 12,065 and showed an adjusted per capital gross income for the Village of Brown Deer of \$29,973.

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 2014 increment in each TID and the increase or decrease from 2013.

Tax Incremental Financing District #2, formed in 1995, generated an increment of \$27,509,100 in 2014, an increase of \$2,046,000 from the 2013 increment. On the West side of Sherman Boulevard 2 acres were used for a building called Bradley Crossing which houses 60 apartments, Jewish Family Services (JFS) offices and the Lois & Tom Dolan Community Center, which the Village operates. Four additional acres of adjacent land were purchased by JFS in 2013. JFS is now nearing completion on the construction of 54 new units in 4 separate buildings on this remaining land. On the East side of Sherman Boulevard, the Village approved a final plan with JFS for Deerwood Crossing, Phase II, which added an additional 30 units to the existing 60 units already constructed in Phase I. Construction on Phase II was completed in 2014.

The Tax Incremental Financing District #3, formed in 2005, generated an increment of \$7,222,900 in 2014, a decrease of (\$7,453,700) from the 2013 increment. The District includes property along the West Brown Deer Road corridor, bounded by: N. 55th Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and the Village’s municipal boundaries at 68th Street to the west. In 2014 four acres of land along the west side of North 60th Street were approved for a senior apartment/memory care facility from New Perspective Real Estate. The new facility will have approximately 133 beds. Construction on the facility is scheduled to be complete in mid 2016.

The Tax Incremental Financing District #4, formed in 2005, generated an increment of \$2,251,300 in 2014, a decrease of (\$407,200) from 2013 increment. The District includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. The Original Village reconstruction began in 2013 and was completed in 2014. No new activity has occurred within the District.

The Village issues a Village magazine called, *Our Brown Deer Magazine*. *Our Brown Deer Magazine* has more human interest pieces and partnerships with the School District. The Village continues to promote the community and all it has to offer by utilizing marketing brochures and the Village’s newsletter the Tracker. The Tracker Newsletter (<http://www.browndeerwi.org/tracker-newsletter/>) is used to inform and connect the residents.

The Village continues to update its website to provide another source of information to the public. Financial information such as: the Annual Budget, Comprehensive Annual Financial Report, Property Tax information and Assessment information are available on the website.

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

FINANCIAL POLICIES

In 2011, Finance & Public Works Committee and the Village Board reviewed and amended all financial and budget related policies that are in place to ensure compliance and control within the Village's finances. The policies in place include: a general operations policy, purchasing policy, Village issued purchasing card policy, investment policy, fund balance policy, debt management policy, capitalized fixed assets policy, budget development policy, revenue policy, operating budgets, capital improvement plan process and policy and capital improvement budget policy.

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

The Village's fund balance policy is in place to provide working capital for the Village to meet cash flow needs during the year (while avoiding the need to cash flow borrow) and preserve the credit worthiness of the Village for borrowing monies at favorable interest rates. The requirements for the general fund are to ensure that the fund balance is equal to a minimum of 15% of the next year's budgeted general fund expenditures; with a 30% targeted maximum. Funds in excess of 30% of the unassigned fund balance may be considered to supplement "pay as you go" capital outlay expenditures. Every Village Fund will have its fund balance categorized with the five categories pursuant to GASB 54. While the Village encourages each fund to meet the 15% minimum balance, the General Fund is the only fund that has the requirement.

Per the Debt Management policy, when issuing debt the Village has agreed to confine long-term borrowing to capital improvements, equipment or other long-term projects which cannot, and appropriately should not, be financed from current revenues. The Village will also not use long-term debt to finance current operations or short-lived (less than 5 years) depreciable assets. The Village has committed to always issuing debt through a competitive bidding process and to utilize the services of a financial advisor. The Village has also agreed to be in compliance with Section 67.03 of Wisconsin Statutes requiring that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. The Village has moved one step further in stating that the total annual debt service for general obligation debt will not exceed 20% of the Village's total tax levy with an effort to maintain the levy at a proportionate even level for tax rate stabilization, the Village is currently at 86.6%.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Brown Deer for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the fifteenth (15th) 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 CliftonLarsonAllen, 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 most notably Nicole Theys for her help throughout the process. Credit also must be given to the Village President, Village Board and Finance/Public Works Committee for their support for striving to have the highest standards of professionalism in the management of the Village of Brown Deer's finances.

Respectfully submitted,



Michael L Hall
Village Manager



Susan L Hudson
Treasurer/Comptroller

VILLAGE OF BROWN DEER

DIRECTORY OF OFFICIALS
December 31, 2014

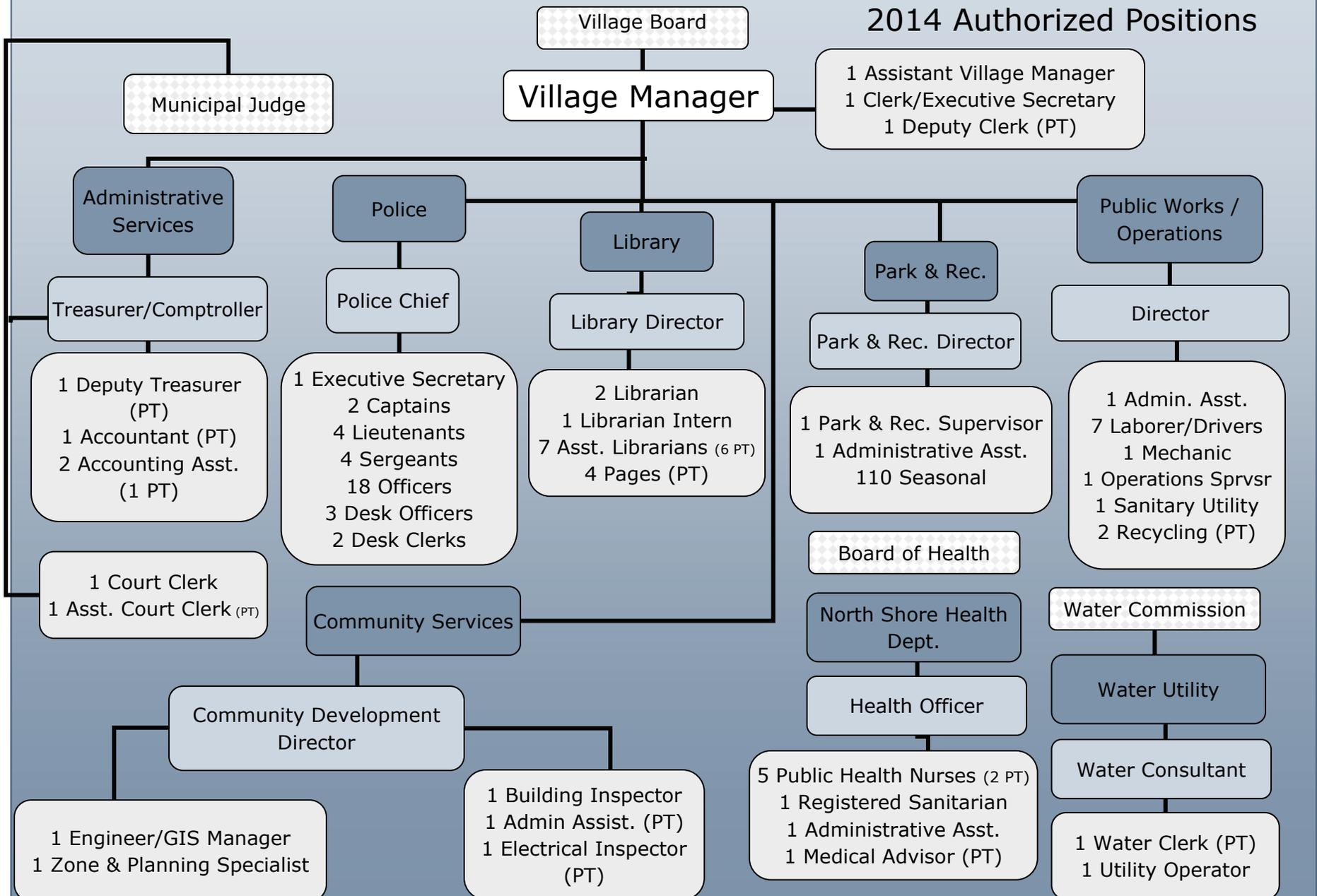
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term</u>
Carl F. Krueger	Village President	April, 2016
Jeff Baker	Village Trustee	April, 2016
Terrence L. Boschert	Village Trustee	April, 2017
Robert W. Oates	Village Trustee	April, 2015
Timothy D. Schilz	Village Trustee	April, 2015
Gary R. Springman	Village Trustee	April, 2016
Jamie Awe	Village Trustee	April, 2017
Christopher R. Lipscomb	Municipal Judge	April, 2016

Administrators

<u>Name</u>	<u>Title</u>	<u>Term</u>
Michael L. Hall	Village Manager	Contract
Accurate Appraisal LLC	Village Assessor	Contract
John Fuchs	Village Attorney	Contract
Chad Hoier	Park and Recreation Director	Appointed
Matthew S. Maederer	Director of Public Works	Appointed
Jamie L. Kinzel	Director of Public Health	Appointed
Mike Rau	Water Consultant	Contract
Brian S .Williams-Van Klooster	Library Director	Appointed
Steven Rinzel	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
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Presented to

**Village of Brown Deer
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Village Board
Village of Brown Deer
Brown Deer, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin as of December 31, 2014, 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 on pages 11-25, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on page 80, and the Schedule of Funding Progress – Other Postemployment Benefits – Retiree Health and Life Insurance on page 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Brown Deer, Wisconsin's, basic financial statements. The combining and individual fund financial statements, introductory section, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section 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.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 29, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS As of and For the Year Ended December 31, 2014

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, 2014. 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 of the Village of Brown Deer exceeded its liabilities as of December 31, 2014, by \$21,316,838 (*net position*). The Village reported deficit unrestricted governmental activities net position of (\$4,977,570) and unrestricted business-type activities net position of \$2,616,290. During the current year, the Village's net position increased by \$1,789,781.
- As of December 31, 2014, the Village of Brown Deer's governmental funds reported combined ending fund balances of \$7,039,210, an increase of \$38,595 in comparison with the prior year. At the end of 2014, there is \$1,627,196 *available for spending* at the government's discretion (*unassigned fund balance*.)
- As of December 31, 2014, the unassigned fund balance for the general fund was \$3,095,207 or 32.0% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt increased by \$2,166,726 during 2014.

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, 2014

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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 19,738,266	\$ 18,617,144	\$ 5,573,513	\$ 3,999,304	\$ 25,311,779	\$ 22,616,448
Capital assets	15,327,852	14,003,966	17,064,375	16,406,992	32,392,227	30,410,958
Total assets	<u>35,066,118</u>	<u>32,621,110</u>	<u>22,637,888</u>	<u>20,406,296</u>	<u>57,704,006</u>	<u>53,027,406</u>
Deferred outflows of resources	585,197	626,997	-	-	585,197	626,997
Long-term debt outstanding	19,095,845	18,673,676	6,162,256	4,386,637	25,258,101	23,060,313
Other liabilities	2,124,602	1,239,807	225,432	292,889	2,350,034	1,532,696
Total liabilities	<u>21,220,447</u>	<u>19,913,483</u>	<u>6,387,688</u>	<u>4,679,526</u>	<u>27,608,135</u>	<u>24,593,009</u>
Deferred inflows of resources	9,364,230	9,534,337	-	-	9,364,230	9,534,337
Net position:						
Net investment in capital assets	8,138,711	8,676,378	13,633,910	12,860,819	21,565,440	21,537,197
Restricted	1,905,497	1,806,405	-	367,285	1,905,497	2,173,690
Unrestricted (deficit)	<u>(4,977,570)</u>	<u>(6,682,496)</u>	<u>2,616,290</u>	<u>2,498,666</u>	<u>(2,154,099)</u>	<u>(4,183,830)</u>
Total net position	<u>\$ 5,066,638</u>	<u>\$ 3,800,287</u>	<u>\$ 16,250,200</u>	<u>\$ 15,726,770</u>	<u>\$ 21,316,838</u>	<u>\$ 19,527,057</u>

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2014

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 2014 by \$1,121,122, this is due to increase in cash and investments, resulting from capital outlay.

Long-term debt outstanding increased in 2014 by \$422,169, this is due to scheduled debt payments. Other liabilities represent accounts payable, accrued payroll liabilities, deposits and unearned revenues.

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

A portion of the Village of Brown Deer's net position represents resources that are subject to external restrictions on how they may be used. Restricted net position consists of amounts restricted for library, police donations, and police asset forfeiture purposes. The Village has three TIF districts one established in 1995 and the other two in 2005. TIF district financing is a tool used by municipalities to assist in funding economic development. Economic development by nature is a long-term process and often times, early in the life of a TIF district the only resources available are in the form of debt proceeds. At December 31, 2014, \$1,695,414 of the Village's restricted Net Position was restricted for TIF district development

Business-type Activities

Business-type activities Current and Other Assets consist of cash, investments and receivables. Current and Other Assets increased by \$1,574,209 in the current year. This increase was due to the release of cash that was originally restricted in 2012 related to cash reserves needed for debt obligations. The total capital assets in 2014 increased by \$657,383 due to the addition of equipment and capital improvements, mainly relating to the water main replacements, sewer infrastructure, and the storm water ditch rehabilitation project.

Long-term debt outstanding increased in 2014 by \$1,775,619 this is due to the scheduled debt payment. Other Liabilities for Governmental and Business-type Activities include accounts payable, accrued interest payable, special deposits and unearned revenue. Other Liabilities decreased by \$67,457 resulting mainly to a decrease from accounts payable related to capital improvements.

STATEMENT OF ACTIVITIES

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

The table below summarizes the statement of activities for 2013 and 2014. Explanations for significant increases or decreases are given following the table.

VILLAGE OF BROWN DEER

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	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for Services	\$ 2,079,013	\$ 1,894,022	\$ 4,153,983	\$ 3,981,917	\$ 6,232,996	\$ 5,875,939
Operating grants and contributions	379,976	947,594	-	-	379,976	947,594
Capital grants and contributions	363,815	1,488,274	30,196	-	394,011	1,488,274
General revenues:						
Property taxes	9,204,538	9,127,458	-	-	9,204,538	9,127,458
Other taxes	589,710	580,404	-	-	589,710	580,404
Other general revenues	2,162,746	1,872,936	50,769	32,501	2,213,515	1,905,437
Total revenues	<u>14,779,798</u>	<u>15,910,688</u>	<u>4,234,948</u>	<u>4,014,418</u>	<u>19,014,746</u>	<u>19,925,106</u>
Expenses						
General government	1,754,475	1,551,039	-	-	1,754,475	1,551,039
Public Safety	6,428,471	6,313,518	-	-	6,428,471	6,313,518
Public Works	2,797,339	2,903,734	-	-	2,797,339	2,903,734
Health and Human Services	895,149	823,513	-	-	895,149	823,513
Culture, recreation and education	1,153,251	1,111,854	-	-	1,153,251	1,111,854
Conservation and development	96,966	131,899	-	-	96,966	131,899
Interest and fiscal charges	675,456	752,513	-	-	675,456	752,513
Water	-	-	1,428,306	1,317,513	1,428,306	1,317,513
Storm Water	-	-	585,368	580,123	585,368	580,123
Sanitary Sewer	-	-	1,410,184	1,640,202	1,410,184	1,640,202
Total expenses	<u>13,801,107</u>	<u>13,588,070</u>	<u>3,423,858</u>	<u>3,537,838</u>	<u>17,224,965</u>	<u>17,125,908</u>
Increase (decrease) in net position before transfers	978,691	2,322,618	811,090	476,580	1,789,781	2,799,198
Transfers	287,660	297,558	(287,660)	(297,558)	-	-
Changes in net position	<u>1,266,351</u>	<u>2,620,176</u>	<u>523,430</u>	<u>179,022</u>	<u>1,789,781</u>	<u>2,799,198</u>
Net position - Beginning of year	3,800,287	1,180,111	15,726,770	15,547,748	19,527,057	16,727,859
Net position - End of year	<u>\$ 5,066,638</u>	<u>\$ 3,800,287</u>	<u>\$ 16,250,200</u>	<u>\$ 15,726,770</u>	<u>\$ 21,316,838</u>	<u>\$ 19,527,057</u>

Significant Changes in Governmental Activities

Governmental activities increased the Village of Brown Deer's net position by \$1,266,351, while the Business-type activities increased net position by \$523,430. The change in net position for governmental activities decreased significantly from 2013 to 2014 due to decrease in operating and capital grants. The change in net position for Business-type activities increased significantly from 2013 to 2014 primarily due to increase in revenues in the utilities fund and a decrease in expenditure in sanitary sewer. Other individual increases/decreases to revenues and expenses are described below.

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Governmental Activities - Revenues

Program revenues are those revenues that can be directly related to a particular activity, whereas general revenues represent revenues that are not directly related to one specific function. Charges for services are primarily made up of licenses, permits, public charges for services such as library, recycling and park and recreation fees, and intergovernmental charges for services such as library system fees, and health department charges. Operating grants are mainly from state resources received for highway maintenance and recycling programs. Capital grants fluctuate annually and are received to assist the Village in capital asset purchases. The table below compares Governmental activities revenues for 2013 and 2014.

	Governmental Activities			
	2014	2013	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 2,079,013	\$ 1,894,022	\$ 184,991	9.77%
Operating grants and contributions	379,976	947,594	(567,618)	-59.90%
Capital grants and contributions	363,815	1,488,274	(1,124,459)	-75.55%
General revenues:				
Property taxes	9,204,538	9,127,458	77,080	0.84%
Other taxes	589,710	580,404	9,306	1.60%
Other general revenues	2,162,746	1,872,936	289,810	15.47%
Total revenues	<u>\$ 14,779,798</u>	<u>\$ 15,910,688</u>	<u>\$ (1,130,890)</u>	<u>-7.11%</u>

Charges for services increased \$184,991 in 2014, due to various changes in services provided. The increase can be accounted for in the following areas and amounts: General Government, (\$8,712); Public Safety, \$191,544; Public Works, (\$4,055); Health and Human Services, \$437; Culture, Recreation and Education, \$5,777.

Operating grants and contributions decreased from 2013 to 2014 by \$567,618. The decrease is due to one time state funding in 2013 for a local road improvement project.

Capital grants and contributions decreased by \$1,124,459 from 2013. The decrease was mainly due to the termination of a developer agreement resulting in a one-time payment in 2013 from the developer.

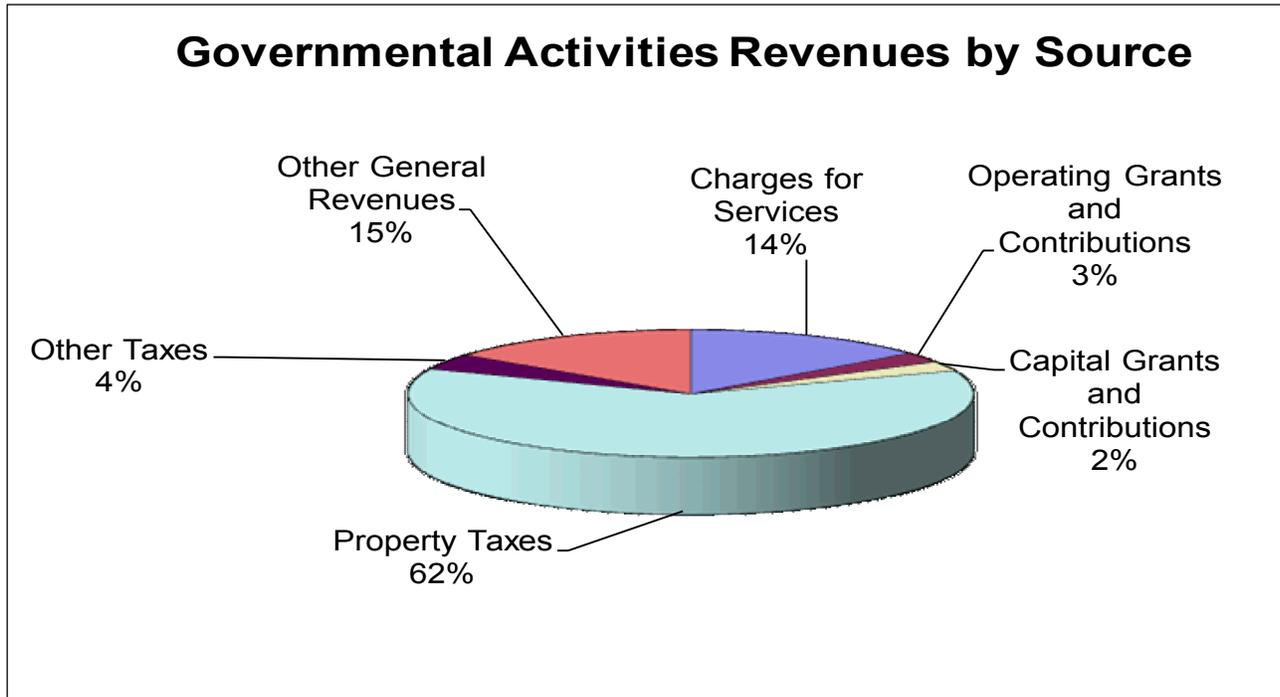
Other general revenues increased \$289,810 from 2013. The two most significant reasons was the increase in Computer Exemption, \$147,532 and Building, Electrical, Plumbing and Heating and A/C permits.

The State of Wisconsin caps local municipal property tax increases by a growth factor based on the municipality's economic growth and the increase in debt service payments. This cap does not apply to property taxes levied for tax incremental financing districts. The levy for TIF districts is based on the tax levy of all overlapping taxing units and the increase in TIF property value. For 2014, property taxes levied for all purposes other than the TIF increased \$24,486 or 0.32%.

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As identified above and on the chart below, property taxes are the largest revenue source for the Village's Governmental Activities category accounting for 62% of total revenues. Like most Wisconsin municipalities, the Village does not charge a local sales or income tax. The percentage composition of revenues has remained stable for the last several years.



Governmental Activities - Expenses

Governmental Activities expenses are broken down into various functions. General Government includes administrative type costs such as Village government and financial management as well as some Village-wide shared costs such as information technology and insurance. Costs associated with the Village's police department, contributions for fire and dispatch services, and expenses related to building inspection are shown within the Public Safety function. The Public Works function includes expenses for street and sidewalk maintenance, winter and forestry operations, refuse and recycling as well as engineering, and planning expenses. Health and Human Services include expenses incurred for the health department programs such as restaurant licensing and health clinic costs. Culture, Recreation and Education expenses are primarily related to the Village's library services and 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 2013 and 2014 expenditures; the reasons for significant changes are addressed following the table.

VILLAGE OF BROWN DEER

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Expenses	2014	2013	Change	% Chg
General government	\$ 1,754,475	\$ 1,551,039	\$ 203,436	13.12%
Public safety	6,428,471	6,313,518	114,953	1.82%
Public works	2,797,339	2,903,734	(106,395)	-3.66%
Health and human services	895,149	823,513	71,636	8.70%
Culture, recreation and education	1,153,251	1,111,854	41,397	3.72%
Conservation and development	96,966	131,899	(34,933)	-26.48%
Interest and fiscal charges	675,456	752,513	(77,057)	-10.24%
Total expenses	<u>\$ 13,801,107</u>	<u>\$ 13,588,070</u>	<u>\$ 213,037</u>	<u>1.57%</u>

General government expenditures increased \$203,436 compared to 2013. This can be attributed to the increase in Salaries/Wages for Municipal Court, \$31,688, Brown Deer Magazine Printing and Postage, \$14,475; Legal Services, \$13,594; Village Manger Professional Services, \$26,049, Utilities \$47,459.

Public safety increased expenditures over 2013 by \$114,953 due to retirement within the police department resulting in retirement cost not budget and an increase in the North Shore Fire Department contribution.

Public works decreased expenditures by \$106,395 due to vacant positions resulting in personnel, health care and retirement cost reduction and the decreased cost in operation, materials and supplies.

Culture, recreation and education expenditures increased \$41,397, due to the cost of program supplies for the Village Park, Recreation and Pond programs.

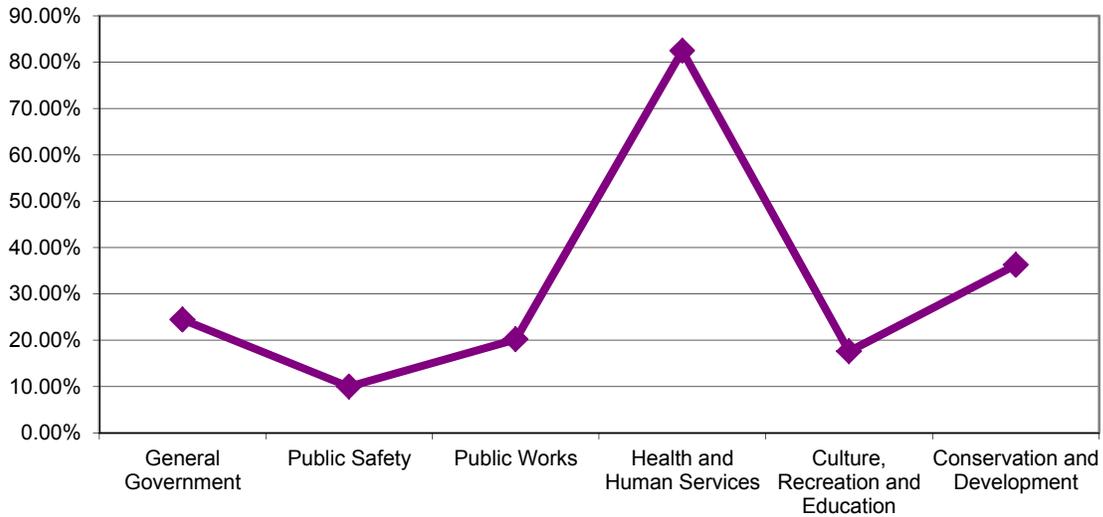
Conservation and Development expenditures decreased by \$34,933 in 2014. A decrease in development in 2014 led to a decrease in the administrative charges for the Tax incremental Districts.

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 2014, Health and Human Services was the function that was most funded by program revenues as a result of the grants that the health department diligently applies for and receives and the fact that the Village administers a health department for several other communities all of whom share in the costs of the program. Only the Village's portion of this program is funded by general revenues. Conservation and development is the second department to most utilized program revenue and Public Works Department is the third department to most utilize program revenues due to the capital contributions received for projects completed throughout the year.

VILLAGE OF BROWN DEER

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Percentages of Expenses funded by Program Revenues



Significant Changes in Business-type Activities

Business-type Activities - Revenues

Unlike the Governmental activities, the Village's Business-type activities are financed primarily by user fees. The Village bills its customers for water, storm and sanitary sewer charges on a quarterly basis. Any utility bills left unpaid as of October 31st are placed on the property owner's tax bill. The table below compares the 2013 to 2014 revenues.

	Business-type Activities			
	2014	2013	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 4,153,983	\$ 3,981,917	\$ 172,066	4.32%
Capital grants and contributions	30,196	-	30,196	100.00%
General revenues:				
Other general revenues	50,769	32,501	18,268	56.21%
Total revenues	<u>\$ 4,234,948</u>	<u>\$ 4,014,418</u>	<u>\$ 220,530</u>	<u>5.49%</u>

There was a rate increase to Village Utility customers for 2014. Since Charges for Service is based on usage and usage was up there was an increase of \$172,066.

The Other General Revenues category is interest income.

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Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2013 to 2014.

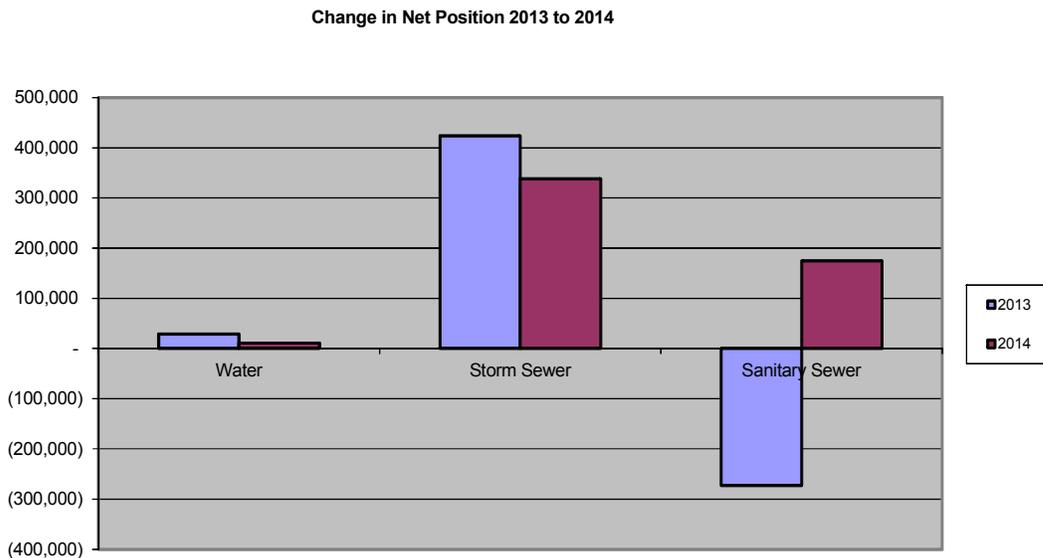
Expenses	Business-type Activities			
	2014	2013	Change	% Chg
Water	\$ 1,428,306	\$ 1,317,513	\$ 110,793	8.41%
Storm Water	585,368	580,123	5,245	0.90%
Sanitary Sewer	<u>1,410,184</u>	<u>1,640,202</u>	<u>(230,018)</u>	<u>(14.02)%</u>
Total expenses	<u>\$ 3,423,858</u>	<u>\$ 3,537,838</u>	<u>\$ (113,980)</u>	<u>-3.22%</u>

Water Utility expenses increased by \$110,793 from 2013 to 2014 mainly due to a \$32,359 increase to purchase of water. The Sanitary Sewer expenses decreased \$230,018 lower cost in operation and maintenance. Village typically alternates years in terms of focusing maintenance improvement efforts between sanitary sewer and storm water; in 2014, the Village focused on storm water maintenance instead of storm sewer maintenance.

Business-type activities increased the Village of Brown Deer's net position by \$523,430 in 2014 and \$179,022 in 2013. The change in net position for the Water Utility and Storm Water Utility was comparable between 2013 and 2014. However, there was a large disparity between the Sewer Utility contribution to Net Position from 2013 loss of \$273,158 to 2014 gain of \$174,642, due to the sewer rate increase for 2014 and less in expenses.

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

Specific reasons for these changes were previously addressed.



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FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 28-30 of this report.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains thirteen individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, TIF No.2, TIF No.3, TIF No. 4, Capital Improvement Fund and the Debt Service Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

As of December 31, 2014, the governmental funds reported combined ending fund balances of \$7,039,210, an increase of \$38,595 in comparison with the prior year. Twenty-two percent (22%) of the Village's fund balance is considered *nonspendable fund balances*, which are items such as prepaids and non-current receivables. The *restricted fund balance* of forty-three percent (43%) 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 twelve percent (12%) is for street lighting purposes, the North Shore Health Department, the Recycling Fund, and Park and Recreation purposes. The Village's does not present any fund balance is considered *assigned fund balance*, meaning the Village Board authorized the Village Manager and the Treasurer/Comptroller to assign a purpose to certain funds. Twenty-three percent (23%) 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, 2014, the total fund balance of the General Fund was \$4,589,294 of which \$3,095,207 was unassigned. This unassigned fund balance represents approximately thirty-two (32%) of total general fund expenditures.

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Management's Discussion and Analysis As of and For the Year Ended December 31, 2014

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 2014.

TIF District No. 2's fund balance increased \$132,464 due to a change in increment value from the state resulting in higher tax revenue.

TIF District No. 3 was created in 2005, but had very little development activity until 2008. During 2013, Lowe's vacant building was sold to Wal-Mart. In 2013, the fund balance increase \$1,325,760 due largely to the termination of the developer agreement between Lowe's and the Village, which resulted in a one time \$1.25 million dollar payment, terminating the agreement between the Village and Lowe's. Fund balance for 2014 increased \$13,629.

TIF District No. 4 was created in 2005, includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. In 2010, the Village issued debt to fund the Original Village streetscape project. Construction began in 2014, thus resulting in the decrease in fund balance of \$701,517 due to decrease in increment value and higher expenditures.

The capital improvement fund decreased the fund balance by \$228,954 resulting from capital purchases with unspent bond proceeds.

The Village's nonmajor funds increased the fund balance by \$293,101 and remains comparable to 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were over budget by \$255,112 and can be accounted for by the following revenues that exceeded budget expectations:

- Intergovernmental revenues were over budget by \$154,140 in part due to an increase in allocation for state shared revenue.
- Licenses and permits came in over budget by \$124,878 due to building, electrical, plumbing, and heating and A/C permits.
- Other revenues came in over budget by \$169,256 due to court fines and commercial revenues.

General Fund expenditures were below the budgeted amount by \$53,194. General Government, Public Safety and Public Works were the only departments that were under budget. General Government was under budget \$64,019 due to lower property insurance premiums. Public safety was under budget \$38,520 due to savings gained in salaries and benefits as a result of staff retirement. Public works was under budget \$2,258. The Health Department exceeded their budget by (\$49,901) mostly due to cost in worker compensation insurance. Park and Recreation Department was over budget by (\$1,702) in 2014 mainly due to increase in program supplies.

There was no budget amendment made in 2014 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.

VILLAGE OF BROWN DEER

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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 \$1,607,013; \$783,833; and \$225,444 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.

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 36-79 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.

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CAPITAL ASSETS

The Village's capital asset activity for 2013 and 2014 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
Land	\$ 1,374,569	\$ 1,279,694	\$ 11,654	\$ 11,654
Construction in progress	125,253	141,299	73,604	5,881
Machinery and equipment	3,525,526	3,267,081	1,620,275	1,233,361
Library collection	985,824	1,028,262	-	-
Buildings and improvements	7,030,798	6,982,274	477,886	477,886
Infrastructure	<u>14,756,502</u>	<u>13,086,799</u>	<u>25,976,313</u>	<u>25,258,620</u>
Total capital assets	<u>27,798,472</u>	<u>25,785,409</u>	<u>28,159,732</u>	<u>26,987,402</u>
Less accumulated depreciation	<u>(12,470,620)</u>	<u>(11,781,443)</u>	<u>(11,095,357)</u>	<u>(10,580,410)</u>
Capital assets net of depreciation	<u>\$ 15,327,852</u>	<u>\$ 14,003,966</u>	<u>\$ 17,064,375</u>	<u>\$ 16,406,992</u>

Governmental Activities

- Land increased \$94,875 due to 60th Street Right of Way.
- Machinery and Equipment increased \$258,445 due to following purchases: Village Hall - (2) Ford Escape, DPW – Ford Escape, 1-ton Truck, 5 yard Truck, Police – (3) Squad Cars, Library – Electronic Sign
- Building and improvements increased by \$48,524 due to new baseball diamond at Fairy Chasm Park and a new platform for the Pond
- \$1,669,703 of infrastructure was added during 2014; was for sidewalks and road resurfacing especially for Carolanne, County Line, and Dean.

Business-type Activities

- Water Utility added \$364,508 to infrastructure due to replacement of mains, meters and fire hydrants
- Sewer Utility added \$122,972 to infrastructure due to new laterals on Carolanne and Glenbrook.
- Storm water utility added \$230,213 to infrastructure due to ditch rehab project.
- Machinery and Equipment increased \$386,914 due to the following purchases: truck mounted sewer cleaner and street sweeper.

Additional information on the Village of Brown Deer's capital assets can be found in Note IV. D. on pages 61-62.

VILLAGE OF BROWN DEER

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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 \$45,272,395, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of \$24,306,776. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2014, the Village of Brown Deer's outstanding debt equaled 54% of the state authorized debt.

The table below summarizes the Village's long term debt for 2013 and 2014:

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
General obligation bonds and notes	\$18,260,091	\$17,826,970	\$ 6,046,685	\$ 4,313,080
Unamortized premium on bonds	100,843	70,034	60,490	19,742
Compensated absences	697,456	740,542	55,081	53,815
OPEB liability	37,455	36,130	-	-
Total	<u>\$19,095,845</u>	<u>\$18,673,676</u>	<u>\$ 6,162,256</u>	<u>\$ 4,386,637</u>

In 2014, the Village of Brown Deer issued a \$4,400,000 General Obligation Corporation Purpose Bonds for the funding of street improvement (\$1,315,000), water system improvements (\$300,000), parks and public grounds improvements (\$305,000), storm sewer improvements (\$1,950,000), sanitary sewer improvements (\$125,000) and fire protection apparatus for the North Shore Fire Department (\$405,000). Additional information regarding the Village of Brown Deer's long-term debt can be found in note IV. F on pages 64 through 67.

In 2013, the Village implemented GASB Statement No. 65. This Statement establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets or liabilities. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

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 83-93 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.

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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, 2014 was 6% compared to 7.5% in December, 2013. This compares with an unemployment rate of 5.2% for the State of Wisconsin and a 5.6% national rate. Rates for the Village specifically are not available. Rates were obtained using the Wisconsin's Worknet website through the Department of Workforce Development, using seasonally adjusted rates, found at <http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>.

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

The Village's 2014 tax levy was again capped by the State of Wisconsin. The Village's limit for 2014 was 2% plus an adjustment for changes in debt service. The Village levied \$7,796,421, which is a .32% increase from the 2013 levy.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 11% of the Village's 2014 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 2014 budget for the General Fund includes an increase of 0.94% in total expenditures due mostly to salaries and benefits. The 2014 General Fund budget is a balanced budget and qualifies for the expenditure restraint program.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF BROWN DEER
Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 8,708,157	\$ 2,186,216	\$ 10,894,373
Receivables (net)			
Taxes	9,364,230	-	9,364,230
Other taxes	8,220	-	8,220
Special assessments	34,989	-	34,989
Accounts	231,867	690,362	922,229
Due from other governments	819,509	-	819,509
Inventory	-	20,225	20,225
Prepaid items	32,287	-	32,287
Restricted cash and cash equivalents	-	2,676,710	2,676,710
Investments in CVMIC	539,007	-	539,007
Capital assets			
Land	1,374,569	11,654	1,386,223
Construction in process	125,253	73,604	198,857
Other capital assets, net of depreciation	13,828,030	16,979,117	30,807,147
Total assets	<u>35,066,118</u>	<u>22,637,888</u>	<u>57,704,006</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	<u>585,197</u>	<u>-</u>	<u>585,197</u>
LIABILITIES			
Accounts payable and accrued expenses	1,904,566	119,427	2,023,993
Accrued interest payable	164,216	38,907	203,123
Due to other governments	9,240	-	9,240
Special deposits	10,000	67,098	77,098
Unearned revenues	36,580	-	36,580
Noncurrent liabilities			
Due within one year	1,986,060	664,052	2,650,112
Due in more than one year	17,109,785	5,498,204	22,607,989
Total liabilities	<u>21,220,447</u>	<u>6,387,688</u>	<u>27,608,135</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent year tax levy	<u>9,364,230</u>	<u>-</u>	<u>9,364,230</u>
NET POSITION			
Net investment in capital assets	8,138,711	13,633,910	21,576,355
Restricted for			
Police asset forfeiture fund	15,491	-	15,491
Police donations	17,205	-	17,205
Park and recreation	112,699	-	112,699
Tax incremental district development	1,695,414	-	1,695,414
Library	64,688	-	64,688
Unrestricted (deficit)	<u>(4,977,570)</u>	<u>2,616,290</u>	<u>(2,165,014)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 5,066,638</u>	<u>\$ 16,250,200</u>	<u>\$ 21,316,838</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 1,754,475	\$ 370,437	\$ -	\$ 58,077	\$ (1,325,961)	\$ -	\$ (1,325,961)
Public safety	6,428,471	607,527	5,325	29,874	(5,785,745)	-	(5,785,745)
Public works	2,797,339	370,938	159,577	34,989	(2,231,835)	-	(2,231,835)
Health and human services	895,149	589,352	149,029	-	(156,768)	-	(156,768)
Culture, recreation and education	1,153,251	140,759	62,295	-	(950,197)	-	(950,197)
Conservation and development	96,966	-	3,750	240,875	147,659	-	147,659
Interest and fiscal charges	675,456	-	-	-	(675,456)	-	(675,456)
Total governmental activities	<u>13,801,107</u>	<u>2,079,013</u>	<u>379,976</u>	<u>363,815</u>	<u>(10,978,303)</u>	<u>-</u>	<u>(10,978,303)</u>
Business-type activities							
Water Utility	1,428,306	1,672,947	-	30,196	-	274,837	274,837
Sewer Utility	1,410,184	1,566,191	-	-	-	156,007	156,007
Storm Water Utility	585,368	914,845	-	-	-	329,477	329,477
Total business-type activities	<u>3,423,858</u>	<u>4,153,983</u>	<u>-</u>	<u>30,196</u>	<u>-</u>	<u>760,321</u>	<u>760,321</u>
TOTAL	<u>\$ 17,224,965</u>	<u>\$ 6,232,996</u>	<u>\$ 379,976</u>	<u>\$ 394,011</u>	<u>(10,978,303)</u>	<u>760,321</u>	<u>(10,217,982)</u>
General revenues							
Property taxes							
Property taxes, levied for general purposes					6,613,767	-	6,613,767
Property taxes, levied for debt services					813,655	-	813,655
Property taxes, levied for capital projects					1,777,116	-	1,777,116
Hotel room taxes					589,710	-	589,710
Intergovernmental revenues not restricted to specific programs					1,518,812	-	1,518,812
Investment income					339,210	48,019	387,229
Gain on sale of village property					53,985	2,750	56,735
Other					250,739	-	250,739
Total general revenues					<u>11,956,994</u>	<u>50,769</u>	<u>12,007,763</u>
Transfers					<u>287,660</u>	<u>(287,660)</u>	<u>-</u>
Change in net position					1,266,351	523,430	1,789,781
Net Position (Deficit) - Beginning of Year (restated)					<u>3,800,287</u>	<u>15,726,770</u>	<u>19,527,057</u>
Net Position - End of Year					<u>\$ 5,066,638</u>	<u>\$ 16,250,200</u>	<u>\$ 21,316,838</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Balance Sheet - Governmental Funds
December 31, 2014

	General	TIF No. 4	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,342,173	\$ -	\$ 2,394,708	\$ 2,888,544	\$ 8,625,425
Receivables (net)					
Taxes					
Tax levy	6,246,057	70,991	372,000	2,675,182	9,364,230
Other taxes	8,220	-	-	-	8,220
Special Assessments on tax roll	-	-	-	34,989	34,989
Accounts	157,318	-	1,273	49,614	208,205
Due from other governments	77,600	492,761	243,875	5,273	819,509
Due from other funds	1,416,764	-	-	-	1,416,764
Prepaid expenses	-	-	32,287	-	32,287
TOTAL ASSETS	\$ 11,248,132	\$ 563,752	\$ 3,044,143	\$ 5,653,602	\$ 20,509,629
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 393,541	\$ 65,524	\$ 1,327,007	\$ 76,494	\$ 1,862,566
Due to other governments	9,240	-	-	-	9,240
Due to other funds	-	1,416,132	-	632	1,416,764
Special deposits	10,000	-	-	-	10,000
Unearned revenues	-	-	-	36,580	36,580
Total liabilities	<u>412,781</u>	<u>1,481,656</u>	<u>1,327,007</u>	<u>113,706</u>	<u>3,335,150</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent year tax levy	6,246,057	70,991	372,000	2,675,182	9,364,230
Special assessments	-	-	-	34,989	34,989
Other receivables	-	478,484	236,126	21,440	736,050
	<u>6,246,057</u>	<u>549,475</u>	<u>608,126</u>	<u>2,731,611</u>	<u>10,135,269</u>
Fund balances (deficit)					
Nonspendable					
Delinquent personal property taxes	8,871	-	-	-	8,871
Long-term receivables and prepaids	1,468,011	-	32,287	-	1,500,298
Restricted					
Debt service	-	-	-	59,182	59,182
Tax increment district development	-	-	-	1,695,414	1,695,414
Library	-	-	-	64,688	64,688
Police donations	17,205	-	-	-	17,205
Police asset forfeiture	-	-	-	15,491	15,491
Unspent bond proceeds	-	-	1,076,723	-	1,076,723
Park and recreation	-	-	-	112,699	112,699
Committed					
Street lighting	-	-	-	197,230	197,230
North Shore Health Department	-	-	-	33,698	33,698
Recycling	-	-	-	513,112	513,112
Park & recreation	-	-	-	117,403	117,403
Unassigned (deficit)	3,095,207	(1,467,379)	-	(632)	1,627,196
Total fund balances (deficit)	<u>4,589,294</u>	<u>(1,467,379)</u>	<u>1,109,010</u>	<u>2,808,285</u>	<u>7,039,210</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,248,132	\$ 563,752	\$ 3,044,143	\$ 5,653,602	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. See Note II A.	15,327,852
Special assessments and other receivables recognized as revenue	771,039
Deferred outflows of resources recognized as an asset on the government-wide financial statements	585,197
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.	603,401
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds. See Note II A.	<u>(19,260,061)</u>

NET POSITION OF GOVERNMENTAL FUNDS **\$ 5,066,638**

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	<u>General</u>	<u>TIF No. 4</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 6,770,631	\$ 87,282	\$ 372,000	\$ 2,564,335	\$ 9,794,248
Intergovernmental revenues	1,493,802	179,979	57,151	324,500	2,055,432
Licenses and permits	544,248	-	-	110,552	654,800
Fines, forfeitures and penalties	289,517	-	-	-	289,517
Public charges for services	14,254	-	-	517,169	531,423
Public improvement revenues	-	-	-	36,644	36,644
Interdepartmental charges for services	775,389	-	-	-	775,389
Intergovernmental charges for services	-	-	-	460,779	460,779
Commercial revenues	180,260	4,558	78,100	129,663	392,581
Total revenues	<u>10,068,101</u>	<u>271,819</u>	<u>507,251</u>	<u>4,143,642</u>	<u>14,990,813</u>
Expenditures					
Current					
General government	1,422,910	-	-	-	1,422,910
Public safety	6,123,470	-	100,175	3,396	6,227,041
Public works	1,724,086	-	-	308,989	2,033,075
Health and human services	191,911	-	-	758,419	950,330
Culture, recreation and education	207,418	-	-	720,619	928,037
Conservation and development	-	195,715	-	315,769	511,484
Capital outlay	-	338,421	2,585,881	56,216	2,980,518
Debt service					
Principal retirement	-	248,739	78,365	1,264,775	1,591,879
Interest and fiscal charges	-	190,461	35,901	422,358	648,720
Total expenditures	<u>9,669,795</u>	<u>973,336</u>	<u>2,800,322</u>	<u>3,850,541</u>	<u>17,293,994</u>
Excess (deficiency) of revenues over expenditures	<u>398,306</u>	<u>(701,517)</u>	<u>(2,293,071)</u>	<u>293,101</u>	<u>(2,303,181)</u>
Other Financing Sources (Uses)					
Transfers in	287,660	-	-	-	287,660
Transfers out	(90,000)	-	-	-	(90,000)
Proceeds on issuance of long-term debt	-	-	2,025,000	-	2,025,000
Premium on debt issued	-	-	39,117	-	39,117
Proceeds on sale of capital assets	79,999	-	-	-	79,999
Total other financing sources (uses)	<u>277,659</u>	<u>-</u>	<u>2,064,117</u>	<u>-</u>	<u>2,341,776</u>
Net Change in Fund Balance	675,965	(701,517)	(228,954)	293,101	38,595
Fund Balances - Beginning of Year	<u>3,913,329</u>	<u>(765,862)</u>	<u>1,337,964</u>	<u>2,515,184</u>	<u>7,000,615</u>
Fund Balances - End of Year (Deficit)	<u>\$ 4,589,294</u>	<u>\$ (1,467,379)</u>	<u>\$ 1,109,010</u>	<u>\$ 2,808,285</u>	<u>\$ 7,039,210</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2014

Net change in fund balances-total governmental funds \$ 38,595

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

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

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements	2,980,518
Some items reported as capital outlay were not capitalized	(575,741)
Depreciation is reported in the government-wide financial statements	(1,054,877)
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 (\$79,999). The gain on the sale of capital assets is recognized within the Statement of Activities (\$53,985)	(26,014)

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.	114,145
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,025,000)
Premium on debt issued	(39,117)
Principal repaid	1,591,879

Some expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds.	
Other postemployment benefits	(1,325)
Compensated absences	43,086
Accrued interest on debt	6,756
Amortization of loss on refunding	(41,800)
Amortization of premium	8,308

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>246,938</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,266,351</u>
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The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Net Position
Proprietary Funds
December 31, 2014

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
ASSETS					
Current					
Cash and cash equivalents	\$ 1,543,948	\$ 642,268	\$ -	\$ 2,186,216	\$ 82,732
Accounts receivable	250,446	188,566	251,350	690,362	23,662
Materials and supplies inventory	20,225	-	-	20,225	-
Current portion of advance to other funds	-	-	11,753	11,753	-
Restricted assets - cash and cash equivalents					
Unspent bond proceeds	315,626	487,805	1,873,279	2,676,710	-
Total current assets	<u>2,130,245</u>	<u>1,318,639</u>	<u>2,136,382</u>	<u>5,585,266</u>	<u>106,394</u>
Noncurrent assets					
Capital assets					
Land	11,654	-	-	11,654	-
Construction in progress	2,796	-	70,808	73,604	-
Structures, improvements and equipment	12,741,181	8,193,522	7,139,771	28,074,474	-
Less: accumulated depreciation	(4,541,626)	(4,030,851)	(2,522,880)	(11,095,357)	-
Other assets					
Advance to other funds	-	-	10,721	10,721	-
Investment in CVMIC	-	-	-	-	539,007
Total noncurrent assets	<u>8,214,005</u>	<u>4,162,671</u>	<u>4,698,420</u>	<u>17,075,096</u>	<u>539,007</u>
Total assets	<u>10,344,250</u>	<u>5,481,310</u>	<u>6,834,802</u>	<u>22,660,362</u>	<u>645,401</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	99,486	5,530	14,411	119,427	42,000
Accrued interest	12,681	9,174	17,052	38,907	-
Unearned revenue	67,098	-	-	67,098	-
Current portion of advance from other funds	-	11,753	-	11,753	-
Current portion of long-term liabilities	126,700	99,600	437,752	664,052	-
Total current liabilities	<u>305,965</u>	<u>126,057</u>	<u>469,215</u>	<u>901,237</u>	<u>42,000</u>
Noncurrent liabilities					
Accumulated sick and vacation pay	21,243	6,222	10,616	38,081	-
Advance from other funds	-	10,721	-	10,721	-
Long-term bonds and notes payable	1,774,684	1,112,964	2,572,475	5,460,123	-
Total noncurrent liabilities	<u>1,795,927</u>	<u>1,129,907</u>	<u>2,583,091</u>	<u>5,508,925</u>	<u>-</u>
Total liabilities	<u>2,101,892</u>	<u>1,255,964</u>	<u>3,052,306</u>	<u>6,410,162</u>	<u>42,000</u>
NET POSITION					
Net investment in capital assets	6,635,345	3,441,513	3,557,052	13,633,910	-
Unrestricted	1,607,013	783,833	225,444	2,616,290	603,401
TOTAL NET POSITION	<u>\$ 8,242,358</u>	<u>\$ 4,225,346</u>	<u>\$ 3,782,496</u>	<u>\$ 16,250,200</u>	<u>\$ 603,401</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2014

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
OPERATING REVENUES					
Sale of water	\$ 1,520,934	\$ -	\$ -	\$ 1,520,934	\$ -
Sewage collection charges	-	1,476,390	-	1,476,390	-
Storm water charges	-	-	881,057	881,057	-
Other operating revenues	<u>152,013</u>	<u>89,801</u>	<u>33,788</u>	<u>275,602</u>	<u>4,264</u>
Total operating revenues	<u>1,672,947</u>	<u>1,566,191</u>	<u>914,845</u>	<u>4,153,983</u>	<u>4,264</u>
OPERATING EXPENSES					
Operation and maintenance	1,148,820	1,202,386	316,863	2,668,069	98,621
Depreciation	<u>229,594</u>	<u>169,743</u>	<u>207,235</u>	<u>606,572</u>	<u>-</u>
Total operating expenses	<u>1,378,414</u>	<u>1,372,129</u>	<u>524,098</u>	<u>3,274,641</u>	<u>98,621</u>
Operating income (loss)	<u>294,533</u>	<u>194,062</u>	<u>390,747</u>	<u>879,342</u>	<u>(94,357)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	12,490	29,869	5,660	48,019	251,295
Interest expense	(47,528)	(37,109)	(45,770)	(130,407)	-
Amortization of debt discount/premiums	<u>(2,364)</u>	<u>(946)</u>	<u>(15,500)</u>	<u>(18,810)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(37,402)</u>	<u>(8,186)</u>	<u>(55,610)</u>	<u>(101,198)</u>	<u>251,295</u>
Income before contributions and transfers	<u>257,131</u>	<u>185,876</u>	<u>335,137</u>	<u>778,144</u>	<u>156,938</u>
GAIN ON SALE OF CAPITAL ASSETS	-	-	2,750	2,750	-
CONTRIBUTED CAPITAL	30,196	-	-	30,196	-
TRANSFERS IN	-	-	-	-	90,000
TRANSFERS OUT	<u>(276,426)</u>	<u>(11,234)</u>	<u>-</u>	<u>(287,660)</u>	<u>-</u>
Change in net position	10,901	174,642	337,887	523,430	246,938
Net position - beginning of year	<u>8,231,457</u>	<u>4,050,704</u>	<u>3,444,609</u>	<u>15,726,770</u>	<u>356,463</u>
Net position - end of year	<u>\$ 8,242,358</u>	<u>\$ 4,225,346</u>	<u>\$ 3,782,496</u>	<u>\$ 16,250,200</u>	<u>\$ 603,401</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2014

	Business-type Activities - Enterprise				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Storm Water Utility	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 1,641,568	\$ 1,597,510	\$ 903,057	\$ 4,142,135	\$ (165)
Paid to suppliers for goods and services	(1,038,257)	(1,116,465)	(198,202)	(2,352,924)	(98,621)
Paid to employees for services	(90,407)	(187,810)	(108,369)	(386,586)	-
Receipts (payments) for interfund services	38,086	(38,086)	-	-	-
Transfer in - operational transfer	-	-	-	-	90,000
Net cash provided by (used in) operating activities	<u>550,990</u>	<u>255,149</u>	<u>596,486</u>	<u>1,402,625</u>	<u>(8,786)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer out - paid for tax equivalent	<u>(276,426)</u>	<u>(11,234)</u>	<u>-</u>	<u>(287,660)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on long-term debt	(144,500)	(98,623)	(398,272)	(641,395)	-
Interest paid on long-term debt	(50,214)	(38,590)	(59,660)	(148,464)	-
Proceeds from issuance of long-term debt	300,000	125,000	1,950,000	2,375,000	-
Premium received from issuance of long-term debt	5,795	2,415	37,668	45,878	-
Payments on capital related advances	-	(10,505)	-	(10,505)	-
Received on advances to other funds	-	-	10,505	10,505	-
Proceeds on sale of capital assets	-	-	2,750	2,750	-
Acquisition and construction of capital assets	<u>(369,794)</u>	<u>(321,949)</u>	<u>(542,016)</u>	<u>(1,233,759)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(258,713)</u>	<u>(342,252)</u>	<u>1,000,975</u>	<u>400,010</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	<u>12,490</u>	<u>29,869</u>	<u>5,660</u>	<u>48,019</u>	<u>23,662</u>
Net increase (decrease) in cash and cash equivalents	28,341	(68,468)	1,603,121	1,562,994	14,876
Cash and cash equivalents - beginning of year	<u>1,831,233</u>	<u>1,198,541</u>	<u>270,158</u>	<u>3,299,932</u>	<u>67,856</u>
Cash and cash equivalents - end of year	<u>\$ 1,859,574</u>	<u>\$ 1,130,073</u>	<u>\$ 1,873,279</u>	<u>\$ 4,862,926</u>	<u>\$ 82,732</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise</u>				Governmental Activities - Internal Service Fund
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 294,533	\$ 194,062	\$ 390,747	\$ 879,342	\$ (94,357)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	229,594	169,743	207,235	606,572	-
Depreciation paid by the sewer utility	38,086	(38,086)	-	-	-
Transfer in - operational transfer	-	-	-	-	90,000
(Increase) decrease in assets					
Accounts receivable	(32,951)	31,319	(11,788)	(13,420)	(4,429)
Inventory	2,205	-	-	2,205	-
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	18,007	(102,375)	9,456	(74,912)	-
Unearned revenue	1,572	-	-	1,572	-
Accumulated sick leave payable	(56)	486	836	1,266	-
	<u>\$ 550,990</u>	<u>\$ 255,149</u>	<u>\$ 596,486</u>	<u>\$ 1,402,625</u>	<u>\$ (8,786)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and cash equivalents	\$ 1,543,948	\$ 642,268	\$ -	\$ 2,186,216	\$ 82,732
Restricted cash and cash equivalents	<u>315,626</u>	<u>487,805</u>	<u>1,873,279</u>	<u>2,676,710</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,859,574</u>	<u>\$ 1,130,073</u>	<u>\$ 1,873,279</u>	<u>\$ 4,862,926</u>	<u>\$ 82,732</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
Statement of Fiduciary Net Position
Agency Fund
December 31, 2014

	<u>Property Tax</u>
ASSETS	
Cash and cash equivalents	\$ 10,238,923
Taxes receivable	<u>10,667,772</u>
TOTAL ASSETS	<u>\$ 20,906,695</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 61,779
Due to other taxing units	<u>20,844,916</u>
TOTAL LIABILITIES	<u>\$ 20,906,695</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Brown Deer, Wisconsin (“Village”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

This report includes all of the funds of the Village of Brown Deer, Wisconsin. The reporting entity for the Village consists of, (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (continued)

Government-Wide Financial Statements (continued)

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund balance, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

The Village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system.

Sewer Utility - accounts for operations of the sewer system.

Storm Water Utility - accounts for operations of the storm water system.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (continued)

Fund Financial Statements (continued)

The Village reports the following nonmajor governmental funds:

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

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

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

Capital Projects Funds - 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 and or Tax Increment Districts.

Capital Projects Fund – TIF No. 2 Fund
Capital Projects Fund – TIF No. 3 Fund

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.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's water, sewer and storm water utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Compensated absences are reported in the governmental funds only if they have matured.

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

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

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

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer and storm water utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All Financial Statements

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of Village funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

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

Custodial Credit Risk

Collateralization is required on certificates of deposit that exceed the FDIC insurance limits and repurchase agreements. The amount to be collateralized is 102% of the market value of principal and accrued interest. The Village chooses to limit its collateral to U.S. treasury securities and its agencies. Collateral must be held by an independent third party with whom the entity has a current custodial agreement. At year-end the Village had \$25,020 in uncollateralized deposits, which violates its investment policy.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

1. Deposits and Investments (continued)

Credit Risk and Concentration of Credit Risk

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

With the exception of U.S. treasury securities and the 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 10% shall be with a single issuer of U.S. agencies or commercial paper.

Interest Rate Risk

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these financial statements.

See Note IV.A. for further information.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund statement of fiduciary net position.

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	March 31, 2015
Third installment due	May 31, 2015
Personal property taxes in full	January 31, 2015
Tax settlements	
Initial settlement	January 15, 2015
Second settlement	February 15, 2015
Third settlement	April 15, 2015
Fourth settlement	June 15, 2015
Final settlement	August 15, 2015
Tax deed by County - 2014	
Delinquent real estate taxes	October 2017

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

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

2. Receivables (continued)

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market on a first-in, first-out (FIFO) basis based on physical quantities on hand. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

5. Capital Assets (continued)

Government-Wide Statements (continued)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed funds. No net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

6. Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014, are determined on the basis of current salary rates and included salary related payments.

7. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts and any premiums, are reported as other financing sources. Payments of principal and interest, and debt issuance costs are reported as expenditures. Debt issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service 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 \$9.96 million, made up of two issues.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

8. Claims and Judgments

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

9. Equity Classifications

Government-Wide Statements

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

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

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:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Net investment in capital assets	\$ 8,138,711	\$ 13,703,830	\$ (196,266)	\$ 21,646,275
Unrestricted	(4,977,570)	2,546,370	196,266	(2,234,934)

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

10. Equity Classifications (continued)

Fund Statements

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

- a. Non-spendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Village has adopted a financial policy authorizing the Finance and Public Works Committee to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted for those purposes

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

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflow/inflows of Resources and Net Position or Fund Balance (continued)

Equity Classifications (continued)

***Fund Statements* (continued)**

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 of Brown Deer 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 balance at year end was \$2,971,543 and is included in the unassigned General Fund balance.

Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin and effective August 15, 2014.

Sewer Utility

Current sewer rates were approved by the Village Board on November 19, 2011 and effective January 1, 2014.

Storm Water Utility

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Policies - Tax Incremental Districts

Tax Increment District No. 2

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

As of December 31, 2014, the Village has made no amendments to the initial project plan.

Tax Increment District No. 3

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

As of December 31, 2014, the Village has made no amendments to the initial project plan.

Tax Increment District No. 4

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

As of December 31, 2014, the Village has made no amendments to the initial project plan.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

II. RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

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

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

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

Bonds and notes payable	\$ 18,260,091
Unamortized premium	100,843
Compensated absences	697,456
Other postemployment benefits	37,455
Accrued interest	<u>164,216</u>
 Combined Adjustment for Long-Term Liabilities	 <u><u>\$ 19,260,061</u></u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

A budget has been adopted for the General Fund, special revenue funds (excluding Grant, Police Asset Forfeiture, Strehlow Donation Funds, Farmers Market, and Community Vibes), 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.

B. Excess Expenditures and Other Financing Uses Over Appropriations

Excess of expenditures over appropriations are as follows:

Fund	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Health and Human Services	\$ 142,010	\$ 191,911	\$ 49,901
Culture, recreation and education	205,716	207,418	1,702
Special Revenue Funds			
Grant Fund	-	18,833	18,833
Library Fund	529,038	545,041	16,003
North Shore Health Department	717,393	758,419	41,026
Police Asset Forfeiture	-	3,396	3,396
Strehlow Fund	-	4,357	4,357
Farmers Market	-	4,122	4,122
Community Vibes	-	2,319	2,319
Capital Projects Fund			
Capital Improvements	2,515,452	2,800,322	284,870
TIF No. 2 Capital Projects	693,678	708,222	14,544
TIF No. 3 Capital Projects	422,315	481,025	58,710
TIF No. 4 Capital Projects	625,200	973,336	348,136

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Deficit Balances

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

As of December 31, 2014, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF No. 4	\$ (1,467,379)
Grants Fund	(632)

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

D. Limitations on the Village's Tax Levy

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or zero percent for the 2013 levy collected in 2014 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
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash	\$ 8,802	\$ -	N/A
Demand deposits	13,615,148	12,762,907	Custodial credit risk
Certificates of deposit	4,363,670	4,363,670	Custodial credit risk
Money market accounts	274,329	274,329	Custodial credit risk
Local government investment pool	1,833,956	1,833,956	Credit risk and interest rate risk
Municipal bonds	612,391	612,391	Custodial credit, credit, concentration of credit risk and interest rate risk
U.S. agencies	3,101,710	3,101,710	Custodial credit, credit, concentration of credit risk and interest rate risk
	<u>\$ 23,810,006</u>	<u>\$ 22,948,963</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted			
Cash and cash equivalents	\$ 10,894,373		
Restricted cash and cash equivalents	2,676,710		
Per statement of net position - Agency Fund			
Cash and cash equivalents	10,238,923		
Total cash and investments	<u>\$ 23,810,006</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.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

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

Custodial Credit Risk

Deposits

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

As of December 31, 2014, \$25,020 of the Village's total certificates of deposit balance of \$4,363,670 was exposed to custodial credit risk as uninsured and uncollateralized. The entire balance of demand deposits and money market accounts was fully insured or collateralized as of December 31, 2014.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Custodial Credit Risk (continued)

Credit Risk

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

As of December 31, 2014, the Village's investments were rated as follows:

Investment Type	Amount	Moody's Investors Services
U.S. agencies	\$3,101,710	AAA
Municipal Bonds	179,448	Aaa
Municipal Bonds	106,306	Aa1
Municipal Bonds	169,679	Aa2
Municipal Bonds	75,914	Aa3
Municipal Bonds	81,044	Unrated
LGIP	1,833,956	Unrated

Concentration of Credit Risk

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

At December 31, 2014, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLMC	US Agencies	16.13%

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

Interest Rate Risk

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

As of December 31, 2014, the Village's investments matured as follows:

Investment Type	Fair Value	Maturity			
		Less than 6 months	6 months - 1 year	1-3 years	3 or more years
Local government investment pool	\$ 1,833,956	\$ 1,833,956	\$ -	\$ -	\$ -
US agencies	3,101,710	-	-	-	3,101,710
Municipal bonds	612,391	145,732	36,374	354,990	75,295
Totals	<u>\$ 5,548,057</u>	<u>\$ 1,979,688</u>	<u>\$ 36,374</u>	<u>\$ 354,990</u>	<u>\$ 3,177,005</u>

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

B. Receivables

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

	Unavailable	Unearned	Total
Property taxes receivable for subsequent year	\$ -	\$ 9,364,230	\$ 9,364,230
Developer receivables	21,440	-	21,440
Special assessments not yet due	34,989	-	34,989
Grant funds	<u>714,610</u>	<u>36,580</u>	<u>751,190</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 771,039</u>	<u>\$ 9,400,810</u>	<u>\$ 10,171,849</u>

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

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

C. Restricted Assets

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects related to the proprietary funds as specified in the bond agreement. The cash proceeds are restricted for the purposes of financing the projects. As of December 31, 2014, the Village had unspent bond proceeds of \$2,676,710.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,279,694	\$ 94,875	\$ -	\$ 1,374,569
Construction in progress	141,299	66,608	82,654	125,253
Total capital assets not being depreciated	1,420,993	161,483	82,654	1,499,822
Capital assets being depreciated				
Machinery and equipment	3,267,081	554,163	295,718	3,525,526
Library collection	1,028,262	53,558	95,996	985,824
Buildings and improvements	6,982,274	48,524	-	7,030,798
Infrastructure	13,086,799	1,669,703	-	14,756,502
Total capital assets being depreciated	24,364,416	2,325,948	391,714	26,298,650
Total capital assets	25,785,409	2,487,431	474,368	27,798,472
Less: Accumulated depreciation for				
Buildings and improvements	3,488,713	231,664	-	3,720,377
Library collection	627,217	75,547	95,996	606,768
Machinery and equipment	1,685,227	307,680	269,704	1,723,203
Infrastructure	5,980,286	439,986	-	6,420,272
Total accumulated depreciation	11,781,443	1,054,877	365,700	12,470,620
Net capital assets, being depreciated	12,582,973	1,271,071	26,014	13,828,030
Total governmental activities capital assets net of accumulated depreciation	\$ 14,003,966	\$ 1,432,554	\$ 108,668	\$ 15,327,852

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 162,940
Public safety	117,337
Public works, which includes the depreciation of infrastructure	605,159
Health and human services	1,213
Culture, recreation and education	163,089
Conservation and development	5,139
Total Governmental Activities Depreciation Expense	\$ 1,054,877

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 11,654	\$ -	\$ -	\$ 11,654
Construction in progress	5,881	422,036	354,313	73,604
Total capital assets not being depreciated	<u>17,535</u>	<u>422,036</u>	<u>354,313</u>	<u>85,258</u>
Capital assets being depreciated				
Structures and improvements	477,886	-	-	477,886
Water utility system	11,210,501	403,073	38,565	11,575,009
Sewer utility system	7,556,346	122,972	-	7,679,318
Storm water utility system	6,491,773	230,213	-	6,721,986
Machinery and equipment	1,233,361	439,974	53,060	1,620,275
Total capital assets being depreciated	<u>26,969,867</u>	<u>1,196,232</u>	<u>91,625</u>	<u>28,074,474</u>
Total capital assets	<u>26,987,402</u>	<u>1,618,268</u>	<u>445,938</u>	<u>28,159,732</u>
Less: Accumulated depreciation for				
Structures and improvements	318,328	8,695	-	327,023
Water utility system	3,460,573	230,947	38,565	3,652,955
Sewer utility system	3,647,017	95,335	-	3,742,352
Storm water utility system	2,195,250	187,416	-	2,382,666
Machinery and equipment	959,242	84,179	53,060	990,361
Total accumulated depreciation	<u>10,580,410</u>	<u>606,572</u>	<u>91,625</u>	<u>11,095,357</u>
Net capital assets, being depreciated	<u>16,389,457</u>	<u>589,660</u>	<u>-</u>	<u>16,979,117</u>
Business-type capital assets net of accumulated depreciation	<u>\$ 16,406,992</u>	<u>\$ 1,011,696</u>	<u>\$ 354,313</u>	<u>\$ 17,064,375</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water Utility	\$ 229,594
Sewer Utility	169,743
Storm Water Utility	207,235
Total Business-type Activities Depreciation Expense	<u>\$ 606,572</u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivables / Payables, Advances and Transfers

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Interfund receivable / payables			
General Fund	TIF No. 4	\$ 1,416,132	
General Fund	Grants Fund	632	
		<u>\$ 1,416,764</u>	
Interfund Advances			
Storm Water Utility	Sewer Utility	<u>\$ 22,474</u>	<u>\$ 11,753</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 between the Storm Water Utility and the Sewer Utility for \$22,474 bears interest with rates ranging from 3.75% to 4.55% and is due annually in varying amounts through April 1, 2016.

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
General Fund	Water Utility	\$ 276,426	Payment in lieu of taxes
General Fund	Sewer Utility	11,234	Payment in lieu of taxes
Internal Service Fund	General Fund	90,000	Operational funding

Generally, transfers are used to 1) move revenues from the fund that collects them to the fund that the budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable					
General obligation debt	\$ 17,039,677	\$ 2,025,000	\$ 1,513,514	\$ 17,551,163	\$ 1,566,805
G.O. Note payable-Village of Whitefish Bay	504,114	-	50,759	453,355	51,649
G.O. Note payable-Village of Bayside	283,179	-	27,606	255,573	27,606
Unamortized premium on bonds	70,034	39,117	8,308	100,843	-
Total Bonds and Notes Payable	<u>\$ 17,897,004</u>	<u>\$ 2,064,117</u>	<u>\$ 1,600,187</u>	<u>\$ 18,360,934</u>	<u>\$ 1,646,060</u>
Other Liabilities					
Other postemployment benefits	36,130	48,275	46,950	37,455	-
Vested compensated absences	740,542	295,948	339,034	697,456	340,000
Total Other Liabilities	<u>776,672</u>	<u>344,223</u>	<u>385,984</u>	<u>734,911</u>	<u>340,000</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 18,673,676</u>	<u>\$ 2,408,340</u>	<u>\$ 1,986,171</u>	<u>\$ 19,095,845</u>	<u>\$ 1,986,060</u>
Business-type Activities					
Bonds and notes payable					
General obligation debt	\$ 4,313,080	\$ 2,375,000	\$ 641,395	\$ 6,046,685	\$ 647,052
Unamortized premium on bonds	19,742	45,878	5,130	60,490	-
Other liabilities					
Vested compensated absences	53,815	20,109	18,843	55,081	17,000
Total Business-type Activities					
Long-Term Liabilities	<u>\$ 4,386,637</u>	<u>\$ 2,440,987</u>	<u>\$ 665,368</u>	<u>\$ 6,162,256</u>	<u>\$ 664,052</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (continued)

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, 2014 was \$47,121,520. Total general obligation debt and related pledges outstanding at year end was \$24,306,776.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2014
Governmental Activities					
General Obligation Debt					
Taxable issues					
Refunding Bonds	10/13/2009	4/4/2014	2.00-2.50%	\$ 374,439	\$ -
	5/9/2011	4/1/2022	1.80-4.35%	625,000	485,000
	11/26/2012	4/1/2028	1.00-3.25%	5,345,000	5,005,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00-3.00%	943,823	453,355
Bayside NSFD	4/6/2012	8/1/2023	0.80-2.30%	501,799	255,573
Community Dev Bonds	9/29/2006	4/1/2026	5.35-5.80%	5,580,000	625,000
	5/2/2007	10/1/2022	5.40-5.50%	3,355,000	2,315,000
Tax-exempt issues					
Promissory Notes	4/1/2006	4/1/2016	3.75-3.80%	1,300,000	365,000
	12/12/2011	4/1/2031	2.00-3.35%	630,000	580,000
	11/26/2012	4/1/2032	0.65-2.50%	550,000	550,000
Refunding Bonds	4/23/2012	4/1/2016	2.00%	400,000	203,315
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	415,000	260,000
	4/5/2010	4/1/2030	2.10-5.80%	5,355,000	4,765,000
	10/27/2014	4/1/2030	2.00-3.00%	2,025,000	2,025,000
State Trust Fund Loan	12/12/2011	3/15/2016	3.25%	277,000	143,738
	12/27/2012	3/15/2017	2.50%	301,122	229,110
Total Governmental Activities General Obligation Debt					<u>\$ 18,260,091</u>
Business-type Activities					
General Obligation Deb					
Tax-exempt issues					
Promissory Notes	12/12/2011	4/1/2031	2.00-3.35%	\$ 800,000	\$ 705,000
	11/26/2012	4/1/2016	2.00%	815,000	750,000
Refunding Bonds	10/13/2009	4/4/2014	2.00-2.50%	1,160,561	-
	4/23/2012	4/1/2016	2.00%	505,000	256,685
Corporate Purpose Bonds	4/1/2006	4/1/2022	4.00-4.10%	2,020,000	1,200,000
	4/3/2008	4/1/2016	2.60-4.00%	1,125,000	760,000
	10/27/2014	4/1/2029	2.00-3.00%	2,375,000	2,375,000
Total Business-type Activities General Obligation Debt					<u>\$ 6,046,685</u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (continued)

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 \$453,355 on December 31, 2014. Principal is due annually on April 1 through 2022 and interest is due semi-annually on April 1 and October 1 with interest at rates of 2.00-3.00%.

Note Payable - Village of Bayside

The Village issued a \$501,799 general obligation promissory note to the Village of Bayside for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The balance due on this note was \$255,573 on December 31, 2014. Principal is due annually on August 1 through 2023 and interest is due semi-annually on February 1 and August 1 with interest at rates of 0.80-2.30%.

Annual Maturities of General Obligation Debt

Debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Bonds and Notes Payable</u>		<u>Bonds and Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	1,646,060	619,317	525,552	163,055
2016	1,694,850	561,394	536,133	153,657
2017	1,517,471	504,214	430,000	139,810
2018	1,554,598	454,741	440,000	125,784
2019	1,610,488	1,462,454	2,280,000	405,380
2020-2024	6,816,623	489,349	1,300,000	165,448
2025-2029	3,150,000	33,884	535,000	20,681
2030-2032	270,001	-	-	-
Totals	<u>\$ 18,260,091</u>	<u>\$ 4,125,353</u>	<u>\$ 6,046,685</u>	<u>\$ 1,173,815</u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (continued)

Other Debt Information

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

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Net Position / Fund Balances

Net position reported on the government wide statement of net position at December 31, 2014 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 1,374,569
Construction in progress	125,253
Other capital assets, net of accumulated depreciation	13,828,030
Less: related long-term capital debt outstanding	(8,342,054)
Plus: unspent capital related debt proceeds	<u>1,152,913</u>
Total Net Investment in Capital Assets	<u>8,138,711</u>
 Restricted	
Police asset forfeiture fund	15,491
Police donations	17,205
Parks and recreation	112,699
TIF development	1,695,414
Library	<u>64,688</u>
Total Restricted	<u>1,905,497</u>
Unrestricted (Deficit)	<u>(4,977,570)</u>
 Total Governmental Activities Net Position (Deficit)	<u><u>\$ 5,066,638</u></u>

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 11,654
Construction in progress	73,604
Other capital assets, net of accumulated depreciation	16,979,117
Less: related long-term capital debt outstanding	(6,046,685)
Less: premium on debt	(60,490)
Plus: unspent capital related debt proceeds	<u>2,676,710</u>
Total Net Investment in Capital Assets	<u>13,633,910</u>
 Unrestricted	<u>2,616,290</u>
 Total Business-Type Activities Net Position	<u><u>\$16,250,200</u></u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION

A. Employees' Retirement System

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple- employer defined benefit public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. 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 and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS

Prior to June 29, 2011, covered employees in the General category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, and Executives and Elected Officials. Required contributions for protective contributions are the same 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. Contribution rates are:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for Village employees covered by the system for the year ended December 31, 2014 was \$4,687,391; the employer's total payroll was \$5,077,867. The total required contribution for the year ended December 31, 2014 was \$726,118 or 15.49% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2013 and 2012 were \$660,181 and \$630,178, respectively, equal to the required contributions for each year.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

V. OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (continued)

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

There was no pension related debt for the Village as of December 31, 2014.

B. Risk Management

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

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

V. OTHER INFORMATION (CONTINUED)

B. Risk Management (continued)

The WMIC has no assets, liabilities, equity or financial activity for the year ended December 31, 2014.

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

The Village's annual cost is its annual premium, claims and other operating expenses. An annual premium is charged to cover expected claims and administrative costs. The claim component of the premium is determined by independent actuaries and allocated among participating municipalities based on payroll and loss history. The Village and other participating cities and villages are subject to cover loss experiences, which exceed predictions through retrospective assessments.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City 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, 2014 was approximately 1.795%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2014, the lump sum payment would be \$539,007.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION (CONTINUED)

B. Risk Management (continued)

The Village has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon 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 2013 and 2014 were:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2013	\$ 42,000	\$ 416	\$ 416	\$ 42,000
2014	42,000	6,560	6,560	42,000

At December 31, 2014, the internal service fund established for liability insurance has a net position of \$603,401.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION (CONTINUED)

C. Inter-Municipal Agreements

North Shore Fire Department (NSFD)

The Village is a member of the North Shore Fire Department along with the Villages of Bayside, Fox Point, River Hills, Shorewood, Whitefish Bay and the City of Glendale. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the proportion of the previous year's cost allocation formula percentage. The Department is governed by a seven member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2014, the Village incurred expenditures of \$2.06 million for fire protection and emergency medical services under this agreement. The Department's 2014 approved budget is \$13.98 million of which the Village's portion is approximately \$2.06 million. On December 31, 2014, the Department had total fund equity of approximately \$2.04 million, a deficit in net position of approximately \$9.59 million and net investment in capital assets of approximately \$3.11 million. Complete 2014 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

Milwaukee Area Domestic Animal Control Commission (MADACC)

The Village is a member of the Milwaukee Area Domestic Animal Control Commission along with eighteen other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for domestic animals. The Commission is governed by a nineteen member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION (CONTINUED)

C. Inter-Municipal Agreements (continued)

North Shore Health Department (NSHD)

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

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

Bayside Communications Center (BACC)

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

D. Other Postemployment Benefits

The Village administers a single-employer defined benefit postemployment healthcare plan. The plan provides funding towards medical insurance benefits to eligible retirees and their families through the Village's group medical insurance plan, which covers both active and retired members. The eligibility requirements and the amount of the benefit vary based on the retiree's position, years of service, age at retirement and year retiring and ranges from \$85 to \$600 per month per retiree. If eligible, the retiree may elect to remain on the Village's healthcare plan until they are Medicare eligible.

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (continued)

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

As of December 31, 2014, the plan had 7 retirees receiving benefits and 56 active plan members. During 2014, the Village contributed \$46,950 to the plan and retirees contributed \$61,810.

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

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

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

Annual Required Contribution	\$	48,276
Interest on net OPEB obligation		1,445
Adjustment to annual required contribution		<u>(1,446)</u>
Annual OPEB cost (expense)		48,275
Contributions made		<u>(46,950)</u>
Increase in net OPEB Liability		1,325
Net OPEB Liability - beginning of year		<u>36,130</u>
Net OPEB Liability - end of year	\$	<u><u>37,455</u></u>

**VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

V. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2012	\$ 57,082	38.6%	\$ 33,193
12/31/2013	47,760	93.9%	36,130
12/31/2014	48,275	97.3%	37,455

Funded status and funding progress. The funded status as of January 1, 2013, the most recent actuarial valuation date, was 0% funded. The actuarial accrued liability for benefits was \$512,028 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$512,028. The covered payroll (annual payroll of active employees covered by the plan) was \$4.6 million, and the ratio of the UAAL to the covered payroll was 11.18%.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples of these estimates include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual requested contributions of the Village are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

V. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits (continued)

The annual required contribution to the plan was determined as a part of the January 1, 2013 actuarial valuation using the following methods and assumptions:

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

E. Commitments and Contingencies

From time to time, the Village becomes involved in legal actions and claims, most of which normally occur in governmental operations. Legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any proceedings known to exist at December 31, 2014, are not likely to have a material adverse impact on the Village's financial position.

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

The Village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

V. OTHER INFORMATION (CONTINUED)

F. Effect of New Accounting Standards on Current-Period Financial Statements

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). This Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.

The GASB has issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state and local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.

The GASB has issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68." This Statement establishes accounting and financial reporting standard to address an issue regarding application of the transition provisions of Statement No. 68, "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the governments beginning net pension liability. The requirements of this Statement are effective for financial statements for reporting periods upon adoption of GASB 68.

VILLAGE OF BROWN DEER
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

V. OTHER INFORMATION (CONTINUED)

F. Effect of New Accounting Standards on Current-Period Financial Statements

The GASB has issued Statement No. 72, "Fair Value Measurement and Application." This Statement establishes accounting and financial reporting standard to address accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 6,963,793	\$ 6,963,793	\$ 6,770,631	\$ (193,162)
Intergovernmental revenues	1,339,662	1,339,662	1,493,802	154,140
Licenses and permits	420,070	419,370	544,248	124,878
Fines, forfeitures and penalties	239,884	239,884	289,517	49,633
Public charges for services	11,650	10,150	14,254	4,104
Interdepartmental charges for services	715,305	722,630	775,389	52,759
Commercial revenues	122,625	117,500	180,260	62,760
Total revenues	<u>9,812,989</u>	<u>9,812,989</u>	<u>10,068,101</u>	<u>255,112</u>
EXPENDITURES				
Current				
General government	1,629,439	1,486,929	1,422,910	64,019
Public safety	6,161,489	6,161,990	6,123,470	38,520
Public works	1,306,878	1,726,344	1,724,086	2,258
Health and human services	-	142,010	191,911	(49,901)
Economic development	419,466	-	-	-
Culture, recreation and education	205,717	205,716	207,418	(1,702)
Total expenditures	<u>9,722,989</u>	<u>9,722,989</u>	<u>9,669,795</u>	<u>53,194</u>
Excess (deficiency) of revenues over expenditures	<u>90,000</u>	<u>90,000</u>	<u>398,306</u>	<u>308,306</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of capital assets	-	-	79,999	79,999
Transfers in	-	-	287,660	287,660
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing sources (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>277,659</u>	<u>367,659</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	675,965	<u>\$ 675,965</u>
Fund balance - beginning of year			<u>3,913,329</u>	
Fund balance - end of year			<u>\$ 4,589,294</u>	

The accompanying note is an integral part of this schedule.

VILLAGE OF BROWN DEER
Schedule of OPEB Funding Progress
December 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll {(b-a)/c}
1/1/2013	\$ -	\$ 512,028	\$ 512,028	-	\$ 4,578,000	11.18 %
1/1/2010	-	575,566	575,566	-	4,500,718	12.79 %
1/1/2008	-	5,382,548	5,382,548	-	4,306,000	125.00 %

The accompany note is an integral part of this schedule.

VILLAGE OF BROWN DEER
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014

NOTE 1 - BUDGETARY INFORMATION

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

A budget has been adopted for the general fund, special revenue funds (excluding Grant, Police Asset Forfeiture, Strehlow Donation Funds, Farmers Market, and Community Vibes), 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			
Health and Human Services	\$ 142,010	\$ 191,911	\$ 49,901
Culture, recreation and education	205,716	207,418	1,702
Special Revenue Funds			
Grant Fund	-	18,833	18,833
Library Fund	529,038	545,041	16,003
North Shore Health Department	717,393	758,419	41,026
Police Asset Forfeiture	-	3,396	3,396
Strehlow Fund	-	4,357	4,357
Farmers Market	-	4,122	4,122
Community Vibes	-	2,319	2,319
Capital Projects Fund			
Capital Improvements	2,515,452	2,800,322	284,870
TIF No. 2 Capital Projects	693,678	708,222	14,544
TIF No. 3 Capital Projects	422,315	481,025	58,710
TIF No. 4 Capital Projects	625,200	973,336	348,136

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

SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds									
	Grant	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Farmers Market	Community Vibes
ASSETS										
Cash and cash equivalents	\$ -	\$ 199,561	\$ 81,438	\$ 73,112	\$ 15,491	\$ 519,806	\$ 114,099	\$ 95,378	14,862	2,485
Receivables (net)										
Taxes										
Tax levy	-	-	385,346	-	-	331,280	47,500	-	-	-
Special assessments on tax roll	-	34,989	-	-	-	-	-	-	-	-
Accounts	-	275	2,675	11,644	-	6,668	4,932	-	10	-
Due from other governments	-	-	-	5,273	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 234,825</u>	<u>\$ 469,459</u>	<u>\$ 90,029</u>	<u>\$ 15,491</u>	<u>\$ 857,754</u>	<u>\$ 166,531</u>	<u>\$ 95,378</u>	<u>\$ 14,872</u>	<u>\$ 2,485</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
LIABILITIES										
Accounts payable and accrued liabilities	\$ -	\$ 2,606	\$ 19,425	\$ 19,751	\$ -	\$ 13,362	\$ 1,628	\$ -	36	\$ -
Due to other funds	632	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	36,580	-	-	-	-	-	-
Total liabilities	<u>632</u>	<u>2,606</u>	<u>19,425</u>	<u>56,331</u>	<u>-</u>	<u>13,362</u>	<u>1,628</u>	<u>-</u>	<u>36</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Subsequent year tax levy	-	-	385,346	-	-	331,280	47,500	-	-	-
Special assessments	-	34,989	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>34,989</u>	<u>385,346</u>	<u>-</u>	<u>-</u>	<u>331,280</u>	<u>47,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)										
Restricted	-	-	64,688	-	15,491	-	-	95,378	14,836	2,485
Committed	-	197,230	-	33,698	-	513,112	117,403	-	-	-
Unassigned	(632)	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>(632)</u>	<u>197,230</u>	<u>64,688</u>	<u>33,698</u>	<u>15,491</u>	<u>513,112</u>	<u>117,403</u>	<u>95,378</u>	<u>14,836</u>	<u>2,485</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ -</u>	<u>\$ 234,825</u>	<u>\$ 469,459</u>	<u>\$ 90,029</u>	<u>\$ 15,491</u>	<u>\$ 857,754</u>	<u>\$ 166,531</u>	<u>\$ 95,378</u>	<u>\$ 14,872</u>	<u>\$ 2,485</u>

VILLAGE OF BROWN DEER
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	<u>Capital Project Funds</u>			Total Nonmajor Governmental Funds
	Debt Service	TIF No. 2	TIF No. 3	
ASSETS				
Cash and cash equivalents	\$ 59,182	\$ 332,716	\$ 1,380,414	\$ 2,888,544
Receivables (net)				
Taxes				
Tax levy	815,842	867,452	227,762	2,675,182
Special assessments on tax roll	-	-	-	34,989
Accounts	-	21,440	1,970	49,614
Due from other governments	-	-	-	5,273
TOTAL ASSETS	<u>\$ 875,024</u>	<u>\$ 1,221,608</u>	<u>\$ 1,610,146</u>	<u>\$ 5,653,602</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ -	\$ 2,386	\$ 17,300	\$ 76,494
Due to other funds	-	-	-	632
Unearned revenues	-	-	-	36,580
Total liabilities	<u>-</u>	<u>2,386</u>	<u>17,300</u>	<u>113,706</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent year tax levy	815,842	867,452	227,762	2,675,182
Special assessments	-	-	-	34,989
Other receivables	-	21,440	-	21,440
	<u>815,842</u>	<u>888,892</u>	<u>227,762</u>	<u>2,731,611</u>
Fund Balances (Deficit)				
Restricted	59,182	330,330	1,365,084	1,947,474
Committed	-	-	-	861,443
Unassigned	-	-	-	(632)
Total fund balances (deficit)	<u>59,182</u>	<u>330,330</u>	<u>1,365,084</u>	<u>2,808,285</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 875,024</u>	<u>\$ 1,221,608</u>	<u>\$ 1,610,146</u>	<u>\$ 5,653,602</u>

VILLAGE OF BROWN DEER
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2014

Special Revenue Funds

	Grant Fund	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Farmers Market	Community Vibes
REVENUES										
Taxes	\$ -	\$ -	\$ 385,346	\$ -	\$ -	\$ -	\$ 47,500	\$ -	\$ -	\$ -
Intergovernmental revenues	18,832	-	108,511	135,592	-	43,777	14,443	-	-	-
Licenses and permits	-	-	-	110,552	-	-	-	-	-	-
Public charges for services	-	-	29,966	30,868	-	353,365	102,970	-	-	-
Public improvement revenues	-	36,644	-	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	460,779	-	-	-	-	-	-
Commercial revenues	-	1,429	19,384	1,211	3,303	22,553	43,143	-	18,958	4,804
Total revenues	<u>18,832</u>	<u>38,073</u>	<u>543,207</u>	<u>739,002</u>	<u>3,303</u>	<u>419,695</u>	<u>208,056</u>	<u>-</u>	<u>18,958</u>	<u>4,804</u>
EXPENDITURES										
Current:										
Public safety	-	-	-	-	3,396	-	-	-	-	-
Public works	-	24,187	-	-	-	284,802	-	-	-	-
Health and human services	-	-	-	758,419	-	-	-	-	-	-
Culture, recreation and education	18,833	-	491,483	-	-	-	199,505	4,357	4,122	2,319
Conservation and development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	53,558	-	-	-	2,658	-	-	-
Debt Service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>18,833</u>	<u>24,187</u>	<u>545,041</u>	<u>758,419</u>	<u>3,396</u>	<u>284,802</u>	<u>202,163</u>	<u>4,357</u>	<u>4,122</u>	<u>2,319</u>
Net change in fund balances over expenditures	<u>(1)</u>	<u>13,886</u>	<u>(1,834)</u>	<u>(19,417)</u>	<u>(93)</u>	<u>134,893</u>	<u>5,893</u>	<u>(4,357)</u>	<u>14,836</u>	<u>2,485</u>
Fund balances (deficit) - beginning of year	<u>(631)</u>	<u>183,344</u>	<u>66,522</u>	<u>53,115</u>	<u>15,584</u>	<u>378,219</u>	<u>111,510</u>	<u>99,735</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ (632)</u>	<u>\$ 197,230</u>	<u>\$ 64,688</u>	<u>\$ 33,698</u>	<u>\$ 15,491</u>	<u>\$ 513,112</u>	<u>\$ 117,403</u>	<u>\$ 95,378</u>	<u>\$ 14,836</u>	<u>\$ 2,485</u>

VILLAGE OF BROWN DEER
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2014

	<u>Capital Project Funds</u>			Total Nonmajor Governmental Funds
	Debt Service	TIF No. 2	TIF No. 3	
REVENUES				
Taxes	\$ 813,655	\$ 835,984	\$ 481,850	\$ 2,564,335
Intergovernmental revenues	-	1,671	1,674	324,500
Licenses and permits	-	-	-	110,552
Public charges for services	-	-	-	517,169
Public improvement revenues	-	-	-	36,644
Intergovernmental charges for services	-	-	-	460,779
Commercial revenues	717	3,031	11,130	129,663
Total revenues	<u>814,372</u>	<u>840,686</u>	<u>494,654</u>	<u>4,143,642</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	3,396
Public works	-	-	-	308,989
Health and human services	-	-	-	758,419
Culture, recreation and education	-	-	-	720,619
Conservation and development	-	148,665	167,104	315,769
Capital outlay	-	-	-	56,216
Debt Service				
Principal retirement	659,775	385,000	220,000	1,264,775
Interest and fiscal charges	153,880	174,557	93,921	422,358
Total expenditures	<u>813,655</u>	<u>708,222</u>	<u>481,025</u>	<u>3,850,541</u>
Net change in fund balances over expenditures	<u>717</u>	<u>132,464</u>	<u>13,629</u>	<u>293,101</u>
Fund balances (deficit) - beginning of year	<u>58,465</u>	<u>197,866</u>	<u>1,351,455</u>	<u>2,515,184</u>
Fund balances (deficit) - end of year	<u>\$ 59,182</u>	<u>\$ 330,330</u>	<u>\$ 1,365,084</u>	<u>\$ 2,808,285</u>

NON-MAJOR 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).

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

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

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

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

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

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

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

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

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

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

VILLAGE OF BROWN DEER
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Grant Fund			Special Assessments Fund			Library Fund			Variance with Final Budget
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,346	\$ 385,346	\$ 385,346	\$ -
Intergovernmental revenues	-	18,832	18,832	-	-	-	-	108,111	108,511	400
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	25,200	25,200	29,966	4,766
Public improvement revenues	-	-	-	36,642	36,644	2	-	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	110,611	-	-	-
Commercial revenues	-	-	-	410	1,429	1,019	8,000	10,500	19,384	8,884
Total revenues	<u>-</u>	<u>18,832</u>	<u>18,832</u>	<u>37,052</u>	<u>38,073</u>	<u>1,021</u>	<u>529,157</u>	<u>529,157</u>	<u>543,207</u>	<u>14,050</u>
EXPENDITURES										
Current:										
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	36,642	24,187	12,455	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture, recreation and education	-	18,833	(18,833)	-	-	-	529,038	476,038	491,483	(15,445)
Capital outlay	-	-	-	-	-	-	-	53,000	53,558	(558)
Total expenditures	<u>-</u>	<u>18,833</u>	<u>(18,833)</u>	<u>36,642</u>	<u>24,187</u>	<u>12,455</u>	<u>529,038</u>	<u>529,038</u>	<u>545,041</u>	<u>(16,003)</u>
Net change in fund balances	\$ -	(1)	\$ (1)	\$ 410	13,886	\$ 13,476	\$ 119	\$ 119	(1,834)	\$ (1,953)
Fund balances - beginning of year		(631)			183,344				66,522	
Fund balances - end of year		\$ (632)		\$ 197,230					\$ 64,688	

VILLAGE OF BROWN DEER
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	North Shore Health Department Fund				Police Asset Forfeiture Fund			Recycling Fund		
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	131,797	131,797	135,592	3,795	-	-	-	40,000	43,777	3,777
Licenses and permits	105,974	105,974	110,552	4,578	-	-	-	-	-	-
Public charges for services	33,347	20,500	30,868	10,368	-	-	-	332,560	353,365	20,805
Public improvement revenues	-	-	-	-	-	-	-	-	-	-
Intergovernmental charges for services	450,186	463,033	460,779	(2,254)	-	-	-	-	-	-
Commercial revenues	-	-	1,211	1,211	-	3,303	3,303	17,700	22,553	4,853
Total revenues	<u>721,304</u>	<u>721,304</u>	<u>739,002</u>	<u>17,698</u>	<u>-</u>	<u>3,303</u>	<u>3,303</u>	<u>390,260</u>	<u>419,695</u>	<u>29,435</u>
EXPENDITURES										
Current:										
Public safety	-	-	-	-	-	3,396	(3,396)	-	-	-
Public works	-	-	-	-	-	-	-	337,887	284,802	53,085
Health and human services	717,393	717,393	758,419	(41,026)	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>717,393</u>	<u>717,393</u>	<u>758,419</u>	<u>(41,026)</u>	<u>-</u>	<u>3,396</u>	<u>(3,396)</u>	<u>337,887</u>	<u>284,802</u>	<u>53,085</u>
Net change in fund balances	\$ 3,911	\$ 3,911	(19,417)	\$ (23,328)	\$ -	(93)	\$ (93)	\$ 52,373	134,893	\$ 82,520
Fund balances - beginning of year			53,115			15,584			378,219	
Fund balances - end of year			\$ 33,698			\$ 15,491			\$ 513,112	

VILLAGE OF BROWN DEER
Special Revenue Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Park and Recreation Program Fund				Strehlow Fund			Farmers Market			Community Vibes		
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES													
Taxes	\$ 47,500	\$ 47,500	\$ 47,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	16,000	14,443	(1,557)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Public charges for services	125,499	136,249	102,970	(33,279)	-	-	-	-	-	-	-	-	-
Public improvement revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental charges for services	16,000	-	-	-	-	-	-	-	-	-	-	-	-
Commercial revenues	49,150	38,400	43,143	4,743	-	-	-	-	18,958	18,958	-	4,804	4,804
Total revenues	<u>238,149</u>	<u>238,149</u>	<u>208,056</u>	<u>(30,093)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,958</u>	<u>18,958</u>	<u>-</u>	<u>4,804</u>	<u>4,804</u>
EXPENDITURES													
Current:													
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and education	233,201	232,201	199,505	32,696	-	4,357	(4,357)	-	4,122	(4,122)	-	2,319	(2,319)
Capital outlay	-	1,000	2,658	(1,658)	-	-	-	-	-	-	-	-	-
Total expenditures	<u>233,201</u>	<u>233,201</u>	<u>202,163</u>	<u>31,038</u>	<u>-</u>	<u>4,357</u>	<u>(4,357)</u>	<u>-</u>	<u>4,122</u>	<u>(4,122)</u>	<u>-</u>	<u>2,319</u>	<u>(2,319)</u>
Net change in fund balances	\$ 4,948	\$ 4,948	5,893	\$ 945	\$ -	(4,357)	\$ (4,357)	\$ -	14,836	\$ 14,836	\$ -	2,485	\$ 2,485
Fund balances - beginning of year			111,510			99,735			-			-	
Fund balances - end of year			\$ 117,403			\$ 95,378			\$ 14,836			\$ 2,485	

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
Debt Service Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 813,655	\$ 813,655	\$ -
Commercial revenues	300	717	417
Total revenues	<u>813,955</u>	<u>814,372</u>	<u>417</u>
EXPENDITURES			
Debt service:			
Principal	659,775	659,775	-
Interest and fiscal charges	153,880	153,880	-
Total expenditures	<u>813,655</u>	<u>813,655</u>	<u>-</u>
Net change in fund balances	<u>300</u>	<u>717</u>	<u>417</u>
Fund balances - beginning of year		<u>58,465</u>	
Fund balances - end of year		<u>\$ 59,182</u>	

CAPITAL PROJECT FUNDS

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

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.

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.

VILLAGE OF BROWN DEER
Capital Projects Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	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	\$ 840,224	\$ 835,984	\$ (4,240)	\$ 484,294	\$ 481,850	\$ (2,444)
Intergovernmental revenues	600	1,671	1,071	2,320	1,674	(646)
Public improvement revenues	-	-	-	-	-	-
Commercial revenues	<u>6,000</u>	<u>3,031</u>	<u>(2,969)</u>	<u>500</u>	<u>11,130</u>	<u>10,630</u>
Total revenues	<u>846,824</u>	<u>840,686</u>	<u>(6,138)</u>	<u>487,114</u>	<u>494,654</u>	<u>7,540</u>
EXPENDITURES						
Current:						
Public safety	-	-	-	-	-	-
Conservation and development	134,120	148,665	(14,545)	108,392	167,104	(58,712)
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	385,000	385,000	-	220,000	220,000	-
Interest and fiscal charges	<u>174,558</u>	<u>174,557</u>	<u>1</u>	<u>93,923</u>	<u>93,921</u>	<u>2</u>
Total expenditures	<u>693,678</u>	<u>708,222</u>	<u>(14,544)</u>	<u>422,315</u>	<u>481,025</u>	<u>(58,710)</u>
Excess (deficiency) of revenues over expenditures	<u>153,146</u>	<u>132,464</u>	<u>(20,682)</u>	<u>64,799</u>	<u>13,629</u>	<u>(51,170)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds on issuance of long-term debt	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-
Proceeds on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 153,146</u>	132,464	<u>\$ (20,682)</u>	<u>\$ 64,799</u>	13,629	<u>\$ (51,170)</u>
Fund balances - beginning of year		<u>197,866</u>			<u>1,351,455</u>	
Fund balances - end of year		<u>\$ 330,330</u>			<u>\$ 1,365,084</u>	

VILLAGE OF BROWN DEER
Capital Projects Funds
Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	TIF No. 4 Fund			Capital Improvements Fund			
	Original and Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES							
Taxes	\$ 87,724	\$ 87,282	\$ (442)	\$ 372,000	\$ 372,000	\$ 372,000	\$ -
Intergovernmental revenues	61,637	179,979	118,342	12,000	12,000	57,151	45,151
Public improvement revenues	-	-	-	-	-	-	-
Commercial revenues	2,000	4,558	2,558	5,000	5,000	78,100	73,100
Total revenues	<u>151,361</u>	<u>271,819</u>	<u>120,458</u>	<u>389,000</u>	<u>389,000</u>	<u>507,251</u>	<u>118,251</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	-	194,500	100,175	94,325
Conservation and development	186,000	195,715	(9,715)	-	-	-	-
Capital outlay	-	338,421	(338,421)	2,515,452	2,320,952	2,585,881	(264,929)
Debt service							
Principal	248,739	248,739	-	-	-	78,365	(78,365)
Interest and fiscal charges	190,461	190,461	-	-	-	35,901	(35,901)
Total expenditures	<u>625,200</u>	<u>973,336</u>	<u>(348,136)</u>	<u>2,515,452</u>	<u>2,515,452</u>	<u>2,800,322</u>	<u>(284,870)</u>
Excess (deficiency) of revenues over expenditures	<u>(473,839)</u>	<u>(701,517)</u>	<u>(227,678)</u>	<u>(2,126,452)</u>	<u>(2,126,452)</u>	<u>(2,293,071)</u>	<u>(166,619)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds on issuance of long-term debt	-	-	-	-	1,600,000	2,025,000	425,000
Premium on debt issued	-	-	-	-	-	39,117	39,117
Proceeds on sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600,000</u>	<u>2,064,117</u>	<u>-</u>
Net change in fund balances	<u>\$ (473,839)</u>	<u>(701,517)</u>	<u>\$ (227,678)</u>	<u>\$ (2,126,452)</u>	<u>\$ (2,126,452)</u>	<u>(228,954)</u>	<u>\$ (166,619)</u>
Fund balances - beginning of year		<u>(765,862)</u>				<u>1,337,964</u>	
Fund balances (deficit) - end of year		<u>\$ (1,467,379)</u>				<u>\$ 1,109,010</u>	

AGENCY FUND

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

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

VILLAGE OF BROWN DEER
Agency Fund
Combining Statement of Changes in
Assets and Liabilities
Year Ended December 31, 2014

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Property Tax Fund				
Assets				
Cash and cash equivalents	\$ 12,397,762	\$ 10,238,923	\$ 12,397,762	\$ 10,238,923
Taxes receivable	9,040,295	10,667,772	9,040,295	10,667,772
Total	<u>\$ 21,438,057</u>	<u>\$ 20,906,695</u>	<u>\$ 21,438,057</u>	<u>\$ 20,906,695</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 42,405	\$ 61,779	\$ 42,405	\$ 61,779
Due to other taxing units	21,395,652	20,844,916	21,395,652	20,844,916
Total	<u>\$ 21,438,057</u>	<u>\$ 20,906,695</u>	<u>\$ 21,438,057</u>	<u>\$ 20,906,695</u>

VILLAGE OF BROWN DEER
Capital Assets Used in Governmental Activities
Schedule by Source
Year Ended December 31, 2014

Capital assets

Land	\$ 549,948
Right-of-way land	824,621
Construction in progress	125,253
Machinery and equipment	3,525,526
Library collection	985,824
Buildings and improvements	7,030,798
Infrastructure	<u>14,756,502</u>
Total capital assets	<u><u>\$ 27,798,472</u></u>

Investment in capital assets by source

Assets purchased prior to 1999	\$ 15,724,245
General fund	164,584
Special revenue funds	1,202,229
Capital projects funds	<u>10,707,414</u>
Total investment in capital assets	<u><u>\$ 27,798,472</u></u>

STATISTICAL SECTION

VILLAGE OF BROWN DEER, WISCONSIN

Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Village of Brown Deer

Net Position by Component
Last Ten Fiscal Years
Schedule 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012 (2)	2013	2014
Governmental Activities										
Net investment in capital assets	2,124,776	1,931,018	4,507,883	6,521,521	7,896,810	7,151,972	7,745,484	8,555,686	8,676,378	8,138,711
Restricted	292,330	373,925	576,532	158,908	139,934	136,004	134,846	171,303	1,806,405	1,905,497
Unrestricted	982,965	47,583	212,582	(6,454,081)	(8,017,081)	(7,468,247)	(8,571,699)	(8,788,772)	(6,682,496)	(4,977,570)
Total governmental activities net position	3,400,071	2,352,526	5,296,997	226,348	19,663	(180,271)	(691,369)	(61,783)	3,800,287	5,066,638
Business-type Activities										
Net investment in capital assets	10,116,023	10,615,509	10,732,537	10,817,430	11,324,970	12,202,860	12,438,719	12,772,500	12,860,819	13,633,910
Restricted	236,100	238,177	250,410	256,627	270,574	285,153	306,799	336,488	367,285	-
Unrestricted	1,124,508	1,303,419	1,766,429	2,414,521	2,719,583	2,006,739	2,206,903	2,502,804	2,498,666	2,616,290
Total business-type activities net position	11,476,631	12,157,105	12,749,376	13,488,578	14,315,127	14,494,752	14,952,421	15,611,792	15,726,770	16,250,200
Primary government										
Net investment in capital assets (1)	12,240,799	12,546,527	15,240,420	17,338,951	19,221,780	19,354,832	19,963,636	21,114,209	21,330,016	21,576,355
Restricted	528,430	612,102	826,942	415,535	410,508	421,157	441,645	507,791	2,173,690	1,905,497
Unrestricted	2,107,473	1,351,002	1,979,011	(4,039,560)	(5,297,498)	(5,461,508)	(6,144,229)	(6,071,991)	(3,976,649)	(2,165,014)
Total primary government net position	14,876,702	14,509,631	18,046,373	13,714,926	14,334,790	14,314,481	14,261,052	15,550,009	19,527,057	21,316,838

Notes

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

Village of Brown Deer

Changes in Net Position
Last Ten Fiscal Years
Schedule 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012 (2)	2013	2014
Expenses										
Governmental Activities:										
General Government	1,248,252	1,310,904	1,428,147	1,604,219	1,399,299	1,294,235	1,344,051	1,273,135	1,551,039	1,754,475
Public Safety	5,560,569	5,297,075	5,840,005	6,027,981	6,085,914	5,871,990	6,440,420	6,695,189	6,313,518	6,428,471
Public Works	1,673,057	1,653,951	2,515,341	2,725,520	2,637,864	2,396,016	2,738,878	2,787,379	2,903,734	2,797,339
Health & Human Services	427,809	447,877	588,902	585,576	639,859	567,554	592,289	815,587	823,513	895,149
Culture, recreation & education	1,042,838	1,040,708	1,210,538	1,158,463	1,155,647	1,222,130	1,180,413	1,073,182	1,111,854	1,153,251
Conservation & development	238,773	2,893,011	252,903	5,188,719	1,153,886	926,179	836,638	272,050	131,899	96,966
Interest & Fiscal Charges	323,714	500,144	788,676	767,327	779,652	898,923	900,832	773,085	752,513	675,456
Total government activities expense	10,515,012	13,143,670	12,624,512	18,057,805	13,852,121	13,177,027	14,033,521	13,689,607	13,588,070	13,801,107
Business-type Activities:										
Water Utility	1,210,456	1,229,903	1,300,484	1,338,455	1,285,391	1,257,481	1,373,831	1,412,419	1,317,513	1,428,306
Storm Water Utility	579,859	821,892	559,051	586,526	696,986	516,569	544,299	544,483	580,123	1,410,184
Sewer Utility	1,033,598	1,119,759	871,343	1,271,182	1,113,731	1,480,800	1,423,391	1,272,097	1,640,202	585,368
Total business-type activities expense	2,823,913	3,171,554	2,730,878	3,196,163	3,096,108	3,254,850	3,341,521	3,228,999	3,537,838	3,423,858
Total Primary Government Expense	13,338,925	16,315,224	15,355,390	21,253,968	16,948,229	16,431,877	17,375,042	16,918,606	17,125,908	17,224,965
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	211,990	204,027	191,752	170,454	233,401	224,517	235,111	499,387	379,149	370,437
Public Safety	427,471	443,599	435,036	527,206	442,000	387,979	403,111	473,061	415,983	607,527
Public Works	217,726	200,380	226,919	260,905	422,678	341,960	375,275	423,741	374,993	370,938
Health & Human Services	183,303	234,260	237,158	295,159	260,891	263,814	433,146	459,251	588,915	589,352
Culture, Recreation & Education	411,424	332,176	317,169	314,188	302,632	310,925	306,447	286,574	134,982	140,759
Conservation & Development	-	-	-	59,169	9,500	-	-	-	-	-
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	686,192	851,256	742,801	782,055	753,316	759,543	686,607	864,150	947,594	379,976
Capital Grants and Contributions	80,038	1,600	113,339	69,751	1,166,530	39,700	181,220	83,475	1,488,274	363,815
Total governmental activities program revenues	2,218,144	2,267,298	2,264,174	2,478,887	3,590,948	2,328,438	2,620,917	3,089,639	4,329,890	2,822,804
Business-type activities:										
Charges for Services										
Water Utility	1,476,254	1,440,517	1,496,524	1,550,763	1,527,206	1,548,514	1,573,212	1,750,070	1,628,368	1,672,947
Storm Water Utility	751,719	801,376	761,600	756,703	753,407	756,220	898,483	884,737	1,002,088	914,845
Sewer Utility	875,071	976,764	951,261	1,191,308	1,226,339	1,295,464	1,310,263	1,398,628	1,351,461	1,566,191
Capital Grants and Contributions	100,125	659,425	125,041	510,239	579,555	6,840	227,012	91,176	-	30,196
Total business-type activities program revenues	3,203,169	3,878,082	3,334,426	4,009,013	4,086,507	3,607,038	4,008,970	4,124,611	3,981,917	4,184,179
Total Primary Government Program Revenues	5,421,313	6,145,380	5,598,600	6,487,900	7,677,455	5,935,476	6,629,887	7,214,250	8,311,807	7,006,983
Net (Expense)/Revenue										
Governmental Activities	(8,296,868)	(10,876,372)	(10,360,338)	(15,578,918)	(10,261,173)	(10,848,589)	(11,412,604)	(10,599,968)	(9,258,180)	(10,978,303)
Business-type Activities	379,256	706,528	603,548	812,850	990,399	352,188	667,449	895,612	444,079	760,321
Total Primary Government Net Expense	(7,917,612)	(10,169,844)	(9,756,790)	(14,766,068)	(9,270,774)	(10,496,401)	(10,745,155)	(9,704,356)	(8,814,101)	(10,217,982)
General Revenues and Other changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes	7,175,285	7,589,400	7,678,552	8,107,615	8,334,365	8,764,225	8,788,024	9,307,851	9,127,458	9,204,538
Hotel Room Taxes	463,345	532,554	562,272	594,277	433,152	476,934	492,759	504,958	580,404	589,710
Intergovtl revenues not restr to spec progra	870,427	902,394	897,517	834,519	809,936	815,719	981,580	900,234	1,445,459	1,518,812
Investment Income	351,456	591,811	870,154	521,324	173,266	279,908	258,171	187,040	77,035	339,210
Miscellaneous	18,495	42,632	20,314	249,968	83,884	72,142	125,533	48,650	226,206	250,739
Gain on sale/disposal of capital assets	2,870	-	-	-	-	-	-	-	124,236	53,985
Special Item-Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers	129,511	170,036	178,658	200,566	219,885	239,727	255,439	280,821	297,558	287,660
Total Governmental Activities	9,011,389	9,828,827	10,207,467	10,508,269	10,054,488	10,648,655	10,901,506	11,229,554	11,878,356	12,244,654
Business-type Activities:										
Investment Income										
Investment Income	57,801	143,982	167,381	126,918	56,035	67,164	45,659	44,580	28,999	48,019
Gain on sale/disposal of capital assets	-	-	-	-	-	-	-	-	3,502	2,750
Transfers	(129,511)	(170,036)	(178,658)	(200,566)	(219,885)	(239,727)	(255,439)	(280,821)	(297,558)	(287,660)
Total Business-type Activities	(71,710)	(26,054)	(11,277)	(73,648)	(163,850)	(172,563)	(209,780)	(236,241)	(266,057)	(236,891)
Total Primary Government	8,939,679	9,802,773	10,196,190	10,434,621	9,890,638	10,476,092	10,691,726	10,993,313	11,613,299	12,007,763
Change in Net Position										
Governmental Activities	714,521	(1,047,545)	(152,871)	(5,070,649)	(206,685)	(199,934)	(511,098)	629,586	2,620,176	1,266,351
Business-type Activities	307,546	680,474	592,271	739,202	826,549	179,625	457,669	659,371	179,022	523,430
Total Primary Government	1,022,067	(367,071)	439,400	(4,331,447)	619,864	(20,309)	(53,429)	1,288,957	2,799,198	1,789,781

Notes

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

Village of Brown Deer

Fund Balances, Governmental Funds
Last Ten Fiscal Years
Schedule 3

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	20,945	41,813	174,201	218,234	86,310	499,848	-	-	-	-
Non-Spendable	-	-	-	-	-	-	416,993	64,112	1,319,557	1,476,882
Restricted	-	-	-	-	-	-	-	-	17,028	17,205
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	54,350	17,028	-	-
Unreserved	1,525,327	2,142,814	2,170,494	2,084,613	2,138,358	2,110,667	-	-	-	-
Unassigned	-	-	-	-	-	-	2,607,990	3,418,220	2,576,744	3,095,207
Total General Fund	1,546,272	2,184,627	2,344,695	2,302,847	2,224,668	2,610,515	3,079,333	3,499,360	3,913,329	4,589,294
All Other Governmental Funds										
Reserved	94,487	134,438	5,825,172	2,992,495	2,087,634	1,553,668	-	-	-	-
Non-Spendable	-	-	-	-	-	-	185,000	-	-	32,287
Restricted	-	-	-	-	-	-	5,077,401	5,391,888	3,531,736	3,024,197
Committed	-	-	-	-	-	-	458,644	565,055	726,188	861,443
Assigned	-	-	-	-	-	-	477,075	355,050	-	-
Unreserved, reported in:										
Special Revenue Funds	1,518,313	1,646,105	1,664,963	1,360,706	1,487,031	589,556	-	-	-	-
Capital Projects Funds	1,656,825	5,232,585	2,797,314	(902,435)	(15,661)	5,076,918	-	-	-	-
Unassigned, reported in:										
Special Revenue Funds	-	-	-	-	-	-	(631)	(631)	(631)	(632)
Capital Projects Funds	-	-	-	-	-	-	(381,245)	-	(1,170,007)	(1,467,379)
Total All Other Governmental Funds	3,269,625	7,013,128	10,287,449	3,450,766	3,559,004	7,220,142	5,816,244	6,311,362	3,087,286	2,449,916
Total Fund Balances	4,815,897	9,197,755	12,632,144	5,753,613	5,783,672	9,830,657	8,895,577	9,810,722	7,000,615	7,039,210

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

(2) The Village adopted GASB 54 in 2011 and this allowed more detailed designations in the Fund Balance category.

Village of Brown Deer

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	7,638,630	8,121,954	8,240,825	8,701,892	8,767,517	9,241,159	9,280,783	9,812,808	9,707,862	9,794,248
Intergovernmental Revenues	1,598,052	1,633,872	1,724,335	1,807,380	1,791,978	1,647,442	1,893,141	1,886,372	1,948,525	2,055,432
Licenses & Permits	356,642	391,722	418,859	566,574	497,711	424,692	461,043	544,833	548,142	654,800
Fines, Forfeits, & Penalties	263,269	228,259	190,952	234,898	239,217	252,831	263,121	250,361	220,057	289,517
Charges for Services	430,612	462,718	461,167	402,427	598,940	522,458	511,019	566,363	539,128	531,423
Public Improvement Revenues	22,257	27,403	23,803	35,916	40,832	33,068	38,684	32,202	1,288,553	36,644
Interdepartmental charges for Services	158,507	150,976	132,697	185,704	381,808	721,695	695,883	759,625	769,718	775,389
Intergovernmental charges for Services	519,406	471,568	464,793	291,341	303,416	283,829	290,537	470,582	462,741	460,779
Commercial Revenues	348,618	695,436	896,673	640,312	309,663	333,581	431,476	351,035	254,153	392,581
Total Revenues	11,335,993	12,183,908	12,554,104	12,866,444	12,931,082	13,460,755	13,865,687	14,674,181	15,738,879	14,990,813
Expenditures										
Current										
General Government	1,245,905	1,304,354	1,289,577	1,312,184	1,429,045	1,392,821	1,482,937	1,510,800	1,499,031	1,422,910
Public Safety	5,282,256	5,043,607	5,360,445	5,689,106	5,597,110	5,630,157	5,743,693	5,960,230	6,188,928	6,227,041
Public Works	1,537,451	1,639,818	1,799,267	2,175,827	2,122,608	2,252,669	2,311,414	2,039,082	2,001,991	2,033,075
Health & Human Services	573,869	597,059	676,855	700,576	736,367	700,503	716,998	998,174	885,485	950,330
Culture, Recreation & Education	974,980	914,264	975,769	1,005,877	1,022,048	993,127	1,084,861	979,652	946,877	928,037
Conservation & Development	14,589	-	75,037	5,250,100	1,185,021	293,124	849,218	707,572	544,860	511,484
Other	-	-	-	-	-	-	-	-	-	-
Capital Outlay	1,437,273	4,964,572	1,861,175	1,173,198	715,254	1,777,563	1,684,905	1,597,908	3,612,243	2,980,518
Debt Service										
Principal	728,876	755,529	938,034	2,494,258	668,677	1,162,915	1,644,786	1,668,039	2,606,762	1,591,879
Interest & Fiscal Charges	322,575	353,132	726,209	847,924	748,479	805,618	1,080,744	926,444	704,866	648,720
Total Expenditures	12,117,774	15,572,335	13,702,368	20,649,050	14,224,609	15,008,497	16,599,556	16,387,901	18,991,043	17,293,994
Excess of Revenues										
Over/(Under) Expenditures	(781,781)	(3,388,427)	(1,148,264)	(7,782,606)	(1,293,527)	(1,547,742)	(2,733,869)	(1,713,720)	(3,252,164)	(2,303,181)
Other Financing Sources/(Uses)										
Transfers In	565,949	463,866	752,206	1,366,041	233,485	1,296,079	255,439	312,669	297,558	287,660
Transfers Out	(436,438)	(293,830)	(573,548)	(1,165,475)	(13,600)	(1,056,352)	-	(31,848)	-	(90,000)
Debt										
General obligation debt issued	-	7,573,961	3,355,000	690,000	1,474,439	5,355,000	1,532,000	6,605,778	-	2,025,000
Premium on debt issued	-	-	6,392	-	5,174	-	4,473	66,063	-	39,117
Refunded general Obligation Debt	-	-	-	-	(375,912)	-	-	-	-	-
Payment of Unfunded pension liability	-	-	-	-	-	-	-	-	-	-
Payment to Fiscal Agent	-	-	-	-	-	-	-	(4,323,797)	-	-
Sale of Capital Assets	29,677	26,289	37,050	13,509	-	-	6,878	-	144,499	79,999
Total Other Financing Sources/(Uses)	159,188	7,770,286	3,577,100	904,075	1,323,586	5,594,727	1,798,790	2,628,865	442,057	2,341,776
Net Change in Fund Balances	(622,593)	4,381,859	2,428,836	(6,878,531)	30,059	4,046,985	(935,079)	915,145	(2,810,107)	38,595
Debt Service as a % of noncapital expenditures	9.84%	10.45%	14.05%	17.16%	10.49%	14.88%	18.27%	17.54%	21.53%	15.65%

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

Village of Brown Deer

Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Table 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value *	Total Direct Tax Rate	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2005	557,280,100	277,397,900	25,186,400	2,000	32,634,927	892,501,327	7.93	977,818,400	91.27%
2006	561,379,400	284,343,600	20,041,300	2,000	29,815,681	895,581,981	8.17	1,075,292,200	83.29%
2007	563,574,400	272,206,500	19,361,100	1,700	26,144,600	881,288,300	8.55	1,138,992,600	77.37%
2008	709,395,400	343,196,900	26,868,900	2,100	34,830,200	1,114,293,500	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	97.44%

Source: Wisconsin Department of Revenue

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

Village of Brown Deer

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

Tax Year	Collection Year	Direct Rates								Overlapping Rates						Net Tax Rate
		Village of Brown Deer		Capital Improv	Equipment Repl	Other Special Rev Funds	Special Library	Debt Service	TID Incr	Total Direct	Brown Deer School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metro Sewage Distr	State of Wisconsin	
2005	2006	6.23	0.31	0.31	0.07	0.38	0.62	-	7.93	12.40	2.06	4.66	1.56	0.21	(1.61)	27.21
2006	2007	6.25	0.26	0.29	0.07	0.41	0.88	-	8.17	12.46	2.13	4.71	1.56	0.21	(2.00)	27.24
2007	2008	6.59	0.24	0.32	0.07	0.44	0.89	-	8.55	13.49	2.29	5.03	1.66	0.22	(2.24)	29.00
2008	2009	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

Source: Village of Brown Deer Adopted Budget

Village of Brown Deer

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

Taxpayer	Type of Business	2014			2005		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brown Deer Center LLC	Property Mgmt	18,925,000	1	2.07%	-		0.00%
Burnham 2201 LTD	Property Mgmt	14,789,400	2	1.62%	-		0.00%
Brown Deer Market WI LLC	Property Mgmt	13,769,300	3	1.51%	21,745,400	2	2.44%
FIS (Fidelity Information Systems)	Data Processing	12,609,100	4	1.38%	15,567,900	3	1.74%
North Pointe Apartments Ltd.	Rental Property	11,125,000	5	1.22%	11,480,800	5	1.29%
Walmart	Retail	11,000,000	6	1.21%	-		0.00%
River Place Apartments LLC	Property Mgmt	9,150,500	7	1.00%	10,469,700	6	1.17%
WITI TV 6	Television Station	8,633,500	8	0.95%	-		0.00%
Park Plaza Apartments	Property Mgmt	8,633,500	9	0.95%	7,657,400	10	0.86%
Mutual Savings Bank	Financial Institution	6,360,000	10	0.70%	8,765,800	9	0.98%
Deer Run Apartments	Property Mgmt	-	-	0.00%	14,163,000	4	1.59%
Brook Lane Apartments	Property Mgmt	-	-	0.00%	8,915,400	8	1.00%
Brown Deer Business Park-WI TWO, LLC	Property Mgmt	-	-	0.00%	31,500,500	1	3.53%
Opus North Business Park	Property Mgmt	-	-	0.00%	10,284,100	7	1.15%
Total		81,280,900		8.91%	140,550,000		15.75%

(a) Based on total Assessed Value
2005 892,501,327
2014 912,385,000

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

Village of Brown Deer

Property Tax Levies and Collections
Last Ten Years
Table 8

Levy Year	Collection Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2006	7,395,247	7,353,446	99.43%	33,023	7,386,469	99.88%
2006	2007	7,768,752	7,743,892	99.68%	-	7,743,892	99.68%
2007	2008	8,107,614	8,083,546	99.70%	16,979	8,100,526	99.91%
2008	2009	8,325,311	8,312,151	99.84%	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%	301	9,099,407	99.97%
2013	2014	9,201,537	9,042,583	98.27%	676	9,043,259	98.28%
2014	2015	9,032,950	*	0.00%	*	*	0.00%

* Note : Data for the 2015 Collection Year is not yet available.

Village of Brown Deer

Ratios of General Bonded Debt Outstanding
Last Ten Years
Table 9

<u>Fiscal Year</u>	<u>Total General Bonded Debt</u>	<u>Reserved Funds for Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Total Taxable Equalized Value</u>	<u>Ratio of General Bonded Debt to Equalized Property Value</u>	<u>Population</u>	<u>Net General Bonded Debt Per Capita</u>
2005	8,928,780	94,487	8,834,293	977,818,400	0.90%	11,831	746.71
2006	17,576,597	124,438	17,452,159	1,075,292,200	1.62%	11,750	1,485.29
2007	19,820,280	36,320	19,783,960	1,138,992,600	1.74%	11,715	1,688.77
2008	18,815,943	21,793	18,794,150	1,144,172,900	1.64%	11,705	1,605.65
2009	18,876,538	30,797	18,845,741	1,128,003,400	1.67%	11,720	1,608.00
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

Village of Brown Deer

Ratios of Outstanding Debt by Type
Last Ten Years
Table 10

Fiscal Year	Governmental Activities				Business Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Anticipation Notes	Notes Payable to Other Municipalities	Tax Increment Project Revenue Bonds Payable	General Obligation Bonds/Notes				
2005	4,140,058	1,675,000	1,294,389	145,000	3,113,722	10,368,169	1.17%	876.36	
2006	11,034,872	1,675,000	1,244,522	75,000	4,866,722	18,896,116	1.81%	1,608.18	
2007	13,607,358	1,675,000	1,117,578	-	4,537,922	20,937,858	1.69%	1,787.27	
2008	13,532,421	-	1,063,257	-	5,283,522	19,879,200	2.03%	1,698.35	
2009	14,021,655	-	1,007,155	-	4,854,884	19,883,694	1.96%	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	*	2,008.49	

Source: Wisconsin Departments of Revenue and Administration

* Note : Data for 2014 Personal Income is not yet available.

Village of Brown Deer

Legal Debt Margin Information
Last Ten Years
Table 11

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Value of Real and Personal Property	977,818,400	1,075,292,200	1,138,992,600	1,144,172,900	1,128,003,400	1,074,804,200	1,038,140,200	962,776,000	927,162,600	942,430,400
General Obligation Debt Limit Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes	48,890,920	53,764,610	56,949,630	57,208,645	56,400,170	53,740,210	51,907,010	48,138,800	46,358,130	47,121,520
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	8,928,780	17,576,597	19,820,280	18,815,943	18,876,538	22,641,828	23,807,985	24,758,575	22,140,050	24,407,619
Less: Amount Available for Financing GO Debt	94,487	124,438	36,320	21,793	30,797	17,009	21,766	104,491	58,465	59,182
Net O/S GO Debt Applicable to Debt Limitation	8,834,293	17,452,159	19,783,960	18,794,150	18,845,741	22,624,819	23,786,219	24,654,084	22,081,585	24,348,437
Legal margin for New Debt	40,056,627	36,312,451	37,165,670	38,414,495	37,554,429	31,115,391	28,120,791	23,484,716	24,276,545	22,773,083
Total net debt applicable to the limit as a percentage of debt limit	18.07%	32.46%	34.74%	32.85%	33.41%	42.10%	45.82%	51.21%	47.63%	51.67%

Village of Brown Deer

Computation of Direct, Overlapping, and Underlying Debt
 As of December 31, 2014
 Table 12

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village	\$ 18,360,934	100%	\$ 18,360,934
Milwaukee Area Technical College	111,620,000	1.34%	1,495,708
Milwaukee County	641,772,910	1.65%	10,589,253
Brown Deer School District	28,976,066	100%	28,976,066
Milwaukee Metropolitan Sewage District	880,653,077	1.68%	14,794,972
Total Overlapping	<u>1,663,022,053</u>		<u>55,855,999</u>
Total Direct and Overlapping Debt	<u><u>\$ 1,681,382,987</u></u>		<u><u>\$ 74,216,933</u></u>

Source: Prior year's Village Bond Issuance

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

Village of Brown Deer

Demographic and Economic Statistics
 Last Ten Years
 Table 13

Year	Population	Personal Income (in thousands)	Per Capita Adjusted Gross Income			Unemployment Rates	
			Village of Brown Deer	Milwaukee County	State of Wisconsin	Milwaukee County	State of Wisconsin
2005	11,831	266,662,242	22,539	19,372	22,214	4.80%	4.80%
2006	11,750	268,201,421	22,826	20,782	23,845	5.70%	4.70%
2007	11,715	269,124,482	22,973	21,603	24,374	5.90%	4.90%
2008	11,705	260,643,494	22,268	21,233	24,329	6.50%	5.80%
2009	11,720	247,895,969	21,152	20,195	23,211	9.30%	8.50%
2010	11,690	246,836,267	21,115	20,486	24,218	9.60%	8.30%
2011	11,999	226,111,060	18,844	20,680	24,901	9.00%	7.50%
2012	12,065	205,897,980	17,066	21,433	26,271	8.40%	6.90%
2013	12,086	213,382,780	23,957	23,740	27,523	7.90%	6.30%
2014	12,102	**	**	**	**	6.50%	6.20%

Source: Wisconsin Departments of Revenue, Administration & Workforce Development

*Unemployment rate specific to the Village of Brown Deer is not available.

**Data not yet available for 2014

Village of Brown Deer

Principal Employers
Current Year
Table 14

Employer	Type of Business	2006			2014		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
FIS (Fidelity Information Systems)	Data Processing	1,125	1	0.26%	2,700	1	0.59%
Signicast	Manufacturer of Ferrous investment castings	-		0.00%	685	2	0.15%
Badger Meter	Water Meter Manufacturing	483	3	0.11%	530	3	0.12%
MILSCO Manufacturing	Manufacturer of Office Chairs	-		0.00%	481	4	0.10%
Guaranty Bank *	Savings Institutions	578	2	0.13%	375	5	0.08%
YMCA (Young Men's Christian Association) *	Civil & Social Organizations	175	5	0.04%	340	6	0.07%
Rite Hite Corporation (Hdqtrs)	Manufacturers of mechanical & hydraulic lifts	-		0.00%	240	7	0.05%
Brown Deer Public Schools	Elementary & Secondary Schools	119	11	0.03%	222	8	0.05%
New World Communications/TV 6	Television Broadcasting	210	4	0.05%	210	9	0.05%
U Line Corp *	Household Refrigerator Manufacturing	175	6	0.04%	175	10	0.04%
Kohl's *	Department Store	175	10	0.04%	-		0.00%
TAPCO *	Electrical Apparatus & Equipt. Wholesalers	-		0.00%	-		0.00%
Sheraton Milwaukee North *	Hotel	175	8	0.04%	-		0.00%
Village of Brown Deer	Government	100	12	0.02%	-		0.00%
Pick 'n Save *	Supermarkets	175	7	0.04%	-		0.00%
GB Home Equity *	Sales Financing	175	9	0.04%	-		0.00%
Total		3,662		0.85%	5,958		1.30%

Source: Wisconsin Department of Workforce Development

(a) According to GASB 44, information for the current year and nine years prior should be shown. In prior CAFR's, we did not include this data.

We will show what comparative data we have until a 10 year comparison is compiled.

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

Village of Brown Deer

Various Statistics
Last Ten Years
Table 15

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village Employees										
General Government										
Village Manager	2	2	3	3	3	3	3	2	3	3
Administration	5	5	5	4	5	5	5	5	4	4
Court	2	2	2	1	2	2	2	1	2	2
Health	11	8	8	7	7	7	6	8	8	8
Library	21	18	16	17	18	16	13	14	14	16
Parks and Recreation	5	4	4	4	3	3	2	3	3	3
Water Utility	5	3	3	3	3	3	3	2	2	2
Public Works	15	13	13	13	12	12	11	10	12	12
Public Safety										
Police	39	38	38	35	37	36	33	34	33	35
Community Services										
Engineering	3	3	3	3	3	3	2	2	2	2
Inspection/Maintenance	6	4	3	3	3	3	2	2	2	2
Total	114	100	98	93	96	93	82	83	85	89
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	6	6	6	6	6	6	6	6	6
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Parks & Recreation										
Number of Parks	3	3	3	3	3	3	3	3	3	3
Acreage of parkland	17	17	17	17	17	17	17	17	17	17
Water Utility										
Miles of Water Main	67	67	68	68	68	68	68	68	68	68
Number of Hydrants	650	663	665	669	671	671	671	672	672	672
Daily Average Consumption (gallons)	1,383,515	1,339,416	1,246,918	1,365,178	1,297,893	1,260,553	1,369,148	1,442,126	1,119,688	1,250,000
Wastewater Utility										
Miles of Sanitary Sewer	51	51	51	51	51	51	51	53	53	53
Miles of Storm Sewer	10	10	10	10	10	10	10	16	17	17

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

Village of Brown Deer

Operating Indicators by Program/Function
Ten Year Trend
Table 16

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Physical Arrests	1,105	850	984	850	922	884	950	684	598	738
Parking Citations	1,089	1,172	1,441	1,158	886	1,268	800	1,076	1,112	841
Traffic Citations	4,722	3,610	4,525	3,573	4,767	3,719	4,361	3,566	4,094	46,999
Prisoner Handling	756	494	369	282	323	224	310	304	242	*
Complaints	1,860	1,364	1,649	1,536	1,486	1,407	1,503	1,537	1,521	1,752
Calls for Service	**	**	**	**	**	**	**	**	15,086	13,085
General Government										
Building Permits Issued	263	281	293	309	328	209	206	170	242	257
Library										
Registered Users	6,966	7,300	7,559	6,833	7,370	7,714	8,011	8,322	8,634	8,950
Circulation Transactions	293,181	265,246	240,995	250,126	247,649	241,399	222,383	218,980	198,645	195,278
Park and Recreation										
Recreation Programs	82	83	86	122	112	101	100	95	90	95
Recreation Program Registration	2,770	2,737	2,513	2,933	2,686	2,421	3,003	2,577	1,935	1,959
Pond Attendance	10,193	9,590	8,018	7,238	7,048	9,391	9,215	10,375	6,115	4,862
Water Utility										
Number of Customers	3,782	3,792	3,795	3,789	3,817	3,825	3,829	3,736	3,739	3,735
Gallons Sold (millions)	504,983	488,879	455,125	455,405	428,322	425,090	427,673	469,538	408,686	411,828
Public Fire Protection Serv Customer	3,509	3,495	3,531	3,544	3,562	3,571	3,575	3,579	3,580	3,586
Northshore Health Department										
Blood Pressure Screenings	537	351	467	357	195	123	132	267	65	73
Immunizations	212	661	569	819	623	598	682	772	883	658
Restaurant Inspections (BD Only)	114	-	109	81	87	78	80	130	116	154

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

(b) Traffic Citations includes those along with Written Warnings & Certificate of Correction Citations.

* Prisoner Handling is no longer tracked

** Calls for Service (not previously reported)