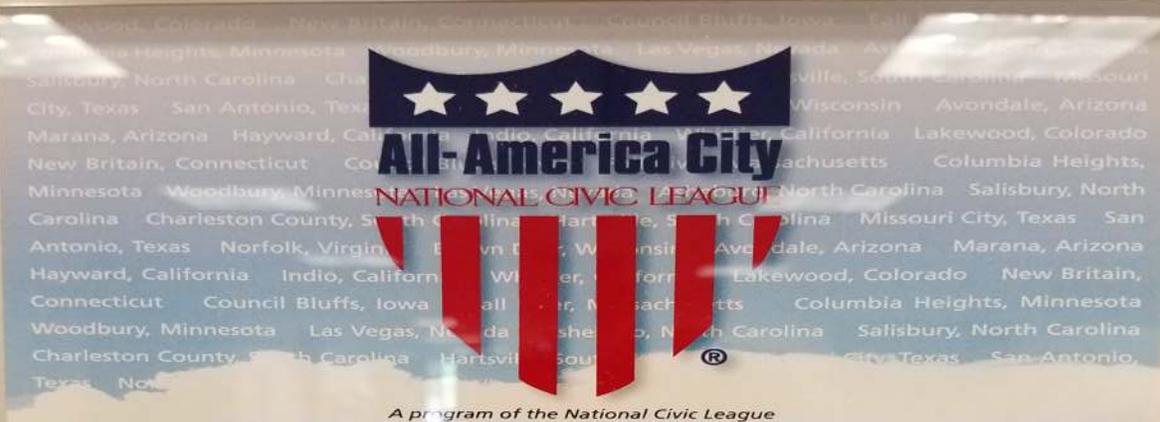


VILLAGE OF **BROWN DEER**

ALL-AMERICA CITY 2016



Denver, Colorado / June 17-19, 2016



Brown Deer, Wisconsin

**Milwaukee County, Wisconsin
Comprehensive Annual Financial Report
As of and For the Year Ended
December 31, 2016**

VILLAGE OF BROWN DEER, WISCONSIN

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2016

Prepared by
The Office of the Treasurer/Comptroller

Susan Hudson
Treasurer/Comptroller

Michael Hall
Village Manager

VILLAGE OF BROWN DEER, WISCONSIN
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Directory of Officials.....	i
Organization Chart	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT.....	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis.....	MD&A 1-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8-9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	11-12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	13

VILLAGE OF BROWN DEER, WISCONSIN
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	14-15
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	16
Statement of Cash Flows	17-18

Fiduciary Fund

Statement of Fiduciary Net Position	19
---	----

Notes to Financial Statements	20-61
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	62
Schedule of Funding Progress and Employer Contributions	
Other Postemployment Benefit Plan	63
Proportionate Share of the Net Pension Liability (Asset) and Schedule of Contributions	
Wisconsin Retirement System	64
Notes to Required Supplementary Information	65-66

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

MAJOR GOVERNMENTAL FUNDS

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Capital Projects Funds.....	67-68

VILLAGE OF BROWN DEER, WISCONSIN
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES (Continued)**

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	69-70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	71-72
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Special Revenue Funds	73-74
Debt Service Fund	75

FIDUCIARY FUND

Statement of Changes in Assets and Liabilities - Agency Fund.....	76
--	----

STATISTICAL SECTION

Financial Trends

Net Position by Component	77
Change in Net Position.....	78-79
Fund Balances of Governmental Funds	80
Changes in Fund Balance of Governmental Funds.....	81-82

Revenue Capacity

Assessed Value and Actual Value of Taxable Property	83
Property Tax Rates - Direct and Overlapping Governments.....	84
Principal Property Tax Payers	85
Property Tax Levies and Collections	86

Debt Capacity

Ratios of General Bonded Debt Outstanding.....	87
Ratios of Outstanding Debt by Type.....	88
Schedule of Legal Debt Margin	89
Direct and Overlapping Governmental Activities Debt.....	90

Demographic and Economic Information

Demographic and Economic Information.....	91
Principal Employers	92

Operating Information

Various Statistics	93
Operating Indicators	94

INTRODUCTORY SECTION

VILLAGE OF BROWN DEER

DIRECTORY OF OFFICIALS
December 31, 2016

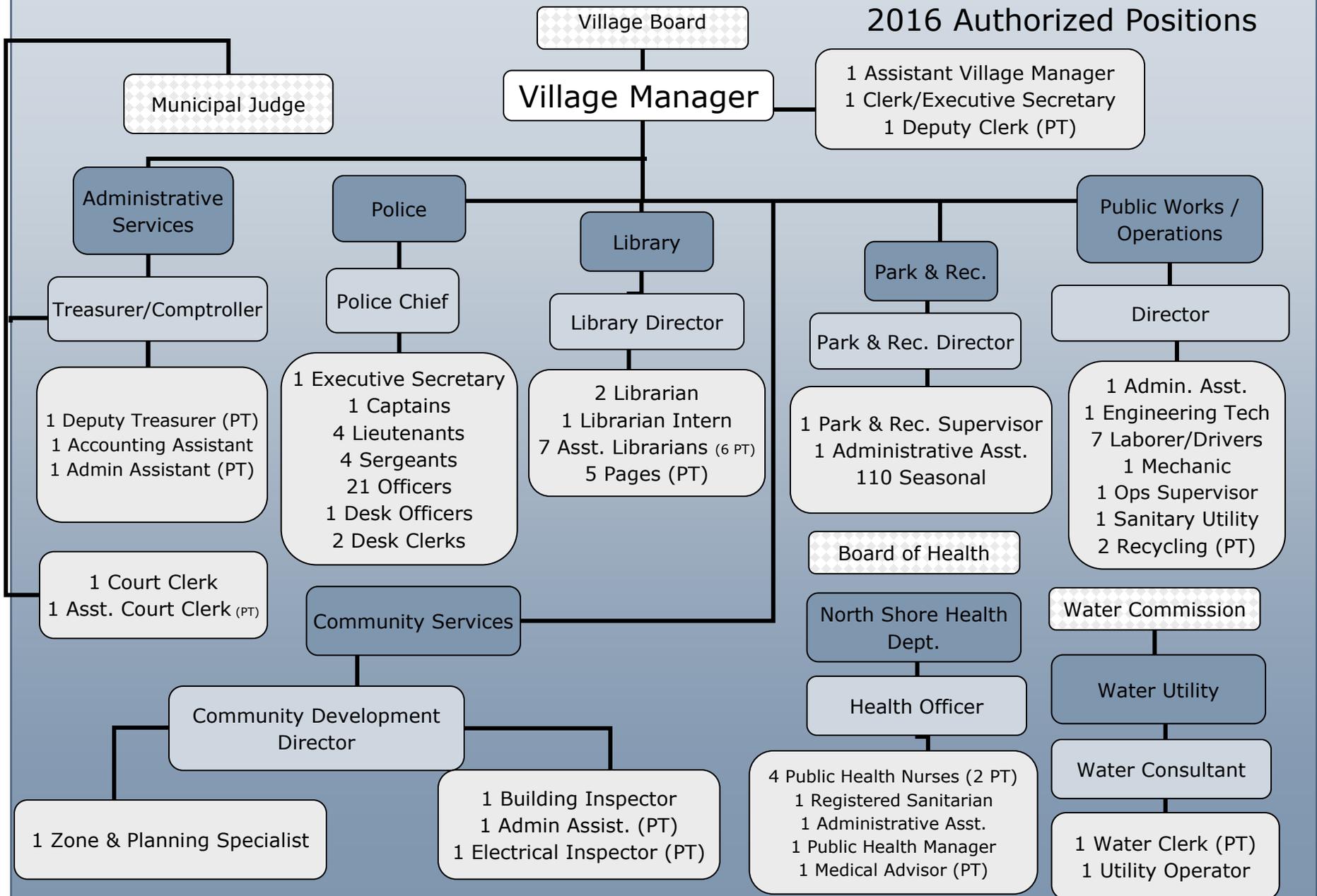
Elected Officials

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

Administrators

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

Village of Brown Deer Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Brown Deer
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



June 22, 2017

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, 2016, is herein submitted. This report consists of management's representations concerning the finances of the Village of Brown Deer ("Village"). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Brown Deer has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Brown Deer's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Brown Deer's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Brown Deer's financial statements have been audited by Sikich, LLP, a firm of certified public accountants and consultants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Brown Deer for the fiscal year ended December 31, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

COMMUNITY PROFILE

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

The Village started as a small settlement in the 1850's along the Milwaukee River at the intersection of what is now Highways 100 and 57. The unincorporated Village grew modestly as part of the Town of Granville until the 1950's. In 1955 the Village incorporated, and in 1962, after a series of annexation battles with the City of Milwaukee, assumed its present boundaries. Because of the 1962 court settlement with the City of Milwaukee, the Brown Deer School District also shares the Village's boundaries. The Village's population has remained relatively constant since before 1990 at approximately 12,000 residents. The current population of the Village is 12,102.

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

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

The Village provides a range of services including police, library, recreation, public works, water, sewer, storm water services. In order to utilize economies of scale the Village has entered into four intergovernmental agreements with other North Shore communities. The North Shore Fire Department was formed on January 1, 1995 by a cooperative agreement with six other North Shore communities (Bayside, Fox Point, Glendale, River Hills, Shorewood, and Whitefish Bay) operates economically by sharing staff, equipment, and resources. The North Shore Health Department was formed on January 1, 1996 with four other North Shore communities (Bayside, River Hills, Fox Point, and Glendale) provides a wide range of public health services more economically than those which could be provided by the individual communities. Effective January 1, 2012, the Shorewood Whitefish Bay Health Department consolidated with the North Shore Health Department to add additional economies of scale. The North Shore Cable Commission was formed on July 6, 1998 by a cooperative agreement with six other North Shore communities (Bayside, Fox Point, Glendale, River Hills, Shorewood, and Whitefish Bay) to jointly provide public access television and public information. Effective January 1, 2011 the Village of Shorewood became the fiscal agent for the North Shore Cable Commission. The Bayside Communications Center was formed on January 1, 2012 in which Bayside will provide a unified public safety answering point providing dispatch service to the Village of Brown Deer. The service will include all police and fire emergency calls, transfer calls, calls for medical emergencies, emergency rescue calls, and calls for dispatch services. The other North Shore communities entered into similar agreements with the Village of Bayside.

FACTORS AFFECTING FINANCIAL CONDITION

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

LOCAL ECONOMY

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

The Village's single-family housing was constructed almost entirely in the period from 1950 to 1980, and can be characterized as being in the middle to upper-middle price range in the Milwaukee area market. The Village also has a substantial number of multifamily housing units, consisting of rental and condominium units, which occupy the same middle to upper-middle market niche. The residential base has continued to grow. In 2016, Milwaukee County had an unemployment rate of 5.0% compared to the State of Wisconsin at 4.0%. The new 2010 census data adjusted the Village's population to 11,999 and showed an adjusted gross income per return for the Village in 2015 of \$47,935.

CURRENT YEAR INITIATIVES

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

Tax Incremental Financing District #2, formed in 1995, generated an increment of \$28,581,400 in 2016, a decrease of (\$11,399,600) from the 2015 increment. On the West side of Sherman Boulevard 2 acres were used for a building called Bradley Crossing which houses 60 apartments, Jewish Family Services (JFS) offices and the Lois & Tom Dolan Community Center, which the Village operates. Four additional acres of adjacent land were purchased by JFS in 2013. JFS is now nearing completion on the construction of 54 new units in 4 separate buildings on this remaining land. On the East side of Sherman Boulevard, the Village approved a final plan with JFS for Deerwood Crossing, Phase II, which added an additional 30 units to the existing 60 units already constructed in Phase I. Construction on Phase II was completed in 2014. In early 2015 Tax Incremental District #2 boundaries were expanded to include three parcels of land along 47th Street south of Bradley Road including the former Algonquin School property. The parcels are suitable for mixed use development and are now being actively marketed for redevelopment.

The Tax Incremental Financing District #3, formed in 2005, generated an increment of \$24,247,100 in 2016, an increase of \$13,635,000 from the 2015 increment. The District includes property along the West Brown Deer Road corridor, bounded by: N. 55th Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and the Village's municipal boundaries at 68th Street to the west. In 2014 four acres of land along the west side of North 60th Street were approved for a senior apartment/memory care facility from New Perspective Real Estate. The new facility will have approximately 133 beds. Construction on the facility is scheduled to be complete in summer 2016. The Village also purchased the former American TV property in March of 2015 for 2.6 million. Sale agreements with two entities (PAK Technologies and ALDI) totaling 2.65 million have been approved as of July 2015. Occupancy for PAK is scheduled for fall 2015 and ALDI in late-summer 2016.

The Tax Incremental Financing District #4, formed in 2005, generated an increment of (\$982,300) in 2016, a decrease of (\$2,557,500) from 2015 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 but future projects within the TID #4 may include commercial redevelopment along the Teutonia Avenue corridor and the former Bella Landscape property at 8655 N 43rd Street which is currently being foreclosed on by Milwaukee County.

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

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

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

FINANCIAL POLICIES

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

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

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

Per the Debt Management policy, when issuing debt, the Village has agreed to confine long-term borrowing to capital improvements, equipment or other long-term projects which cannot, and appropriately should not, be financed from current revenues. The Village will also not use long-term debt to finance current operations or short-lived (less than 5 years) depreciable assets. The Village has committed to always issuing debt through a competitive bidding process and to utilize the services of a financial advisor. The Village has also agreed to be in compliance with Section 67.03 of Wisconsin Statutes requiring that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. The Village has moved one step further in stating that the total annual debt service for general obligation debt will not exceed 20% of the Village's total tax levy with an effort to maintain the levy at a proportionate even level for tax rate stabilization, the Village is currently at 67.7%.

According to the Village's Capitalized Fixed Asset policy, the record of capital assets shall include general fixed assets, i.e., non-infrastructure assets. Infrastructure assets are assets that are immovable and of value only to the Village government, e.g., buildings, sewers, and streets. As a 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, 2015. This was the seventieth (17th) year that the Village of Brown Deer has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the administrative services, community services, public works and police departments.

We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Village President, Village Board and Finance/Public Works Committee for their support for striving to have the highest standards of professionalism in the management of the Village of Brown Deer's finances.

Respectfully submitted,



Michael L Hall
Village Manager



Susan L Hudson
Treasurer/Comptroller

FINANCIAL SECTION



13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

262.754.9400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Village of Brown Deer
Brown Deer, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin (the Village), as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin, as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

The Village adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The statement modifies certain disclosures in Note 2 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Sikich LLP

Brookfield, Wisconsin
June 22, 2017

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**



MANAGEMENT'S DISCUSSION AND ANALYSIS As of and For the Year Ended December 31, 2016

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, 2016. 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 iv-viii of this report.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of the Village of Brown Deer exceeded its liabilities and deferred inflows as of December 31, 2016, by \$20,047,096 (*net position*). The Village reported deficit unrestricted governmental activities net position of (\$10,893,760) and unrestricted business-type activities net position of \$3,810,783. During the current year, the Village's net position decreased by (\$2,610,127).
- As of December 31, 2016, the Village of Brown Deer's governmental funds reported combined ending fund balances of \$5,324,019, a decrease of (\$415,301) in comparison with the prior year. At the end of 2016, there is \$627,780 *available for spending* at the government's discretion (*unassigned fund balance*.)
- As of December 31, 2016, the unassigned fund balance for the general fund was \$3,053,356 or 30.42% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt increased by \$934,018 during 2016.

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, 2016

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 4-7 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 16,184,735	\$ 17,504,097	\$ 5,458,341	\$ 4,329,897	\$ 21,643,076	\$ 21,833,994
Capital assets	17,366,290	17,152,146	17,408,840	17,311,368	34,775,130	34,463,514
Total assets	33,551,025	34,656,243	22,867,181	21,641,265	56,418,206	56,297,508
Deferred outflows of resources	3,542,820	1,507,761	220,152	75,328	3,762,972	1,583,089
Long-term debt outstanding	21,192,769	18,872,270	5,883,132	5,622,795	27,075,901	24,495,065
Other liabilities	1,479,014	795,583	561,164	301,875	2,040,178	1,097,458
Total liabilities	22,671,783	19,667,853	6,444,296	5,924,670	29,116,079	25,592,523
Deferred inflows of resources	10,921,441	9,630,851	96,562	-	11,018,003	9,630,851
Net position:						
Net investment in capital assets	12,820,500	9,738,615	12,657,986	12,291,770	25,478,486	22,030,385
Restricted	1,573,881	1,048,383	77,706	-	1,651,587	1,048,383
Unrestricted (deficit)	(10,893,760)	(3,921,698)	3,810,783	3,500,153	(7,082,977)	(421,545)
Total net position	<u>\$ 3,500,621</u>	<u>\$ 6,865,300</u>	<u>\$ 16,546,475</u>	<u>\$ 15,791,923</u>	<u>\$ 20,047,096</u>	<u>\$ 22,657,223</u>

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016

Governmental Activities

Current and other assets for governmental activities primarily represent cash, investments, taxes receivable and land held for resale. Current and other assets decreased in 2016 by (\$1,319,362), this is due to decrease in cash on hand.

Long-term debt outstanding increased in 2016 by \$2,320,499, this is due to debt issue of General Obligation Bond in the amount of \$3,265,000 for capital project for 2016 and 2017. 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, 2016, \$197,917 of the Village's restricted Net Position was restricted for TIF district development

The remaining balance of unrestricted net position may be used to meet ongoing obligations to citizens and creditors. The further increase in unrestricted net position of \$6,972,062 was due mainly to the implementation of GASB Statements Nos. 68 and 71 which brought the Village's proportionate share of the Wisconsin Retirement System's net pension asset onto the statement of net position. When unrestricted resources are added, the Village's Net Investment in Capital Assets decreases and resources remaining for unrestricted net position then increase.

Business-type Activities

Business-type activities Current and Other Assets consist of cash, investments and receivables. Current and Other Assets increased by \$1,128,444 in the current year. This increase was due to increase in cash on hand. The total capital assets in 2016 increased by \$97,472 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 2016 by \$260,3371 this is due to the scheduled debt payment. Other Liabilities for Governmental and Business-type Activities include accounts payable, accrued interest payable, special deposits and unearned revenue. Other Liabilities increased by \$259,289 resulting mainly to an increase 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).

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

The table below summarizes the statement of activities for 2015 and 2016. Explanations for significant increases or decreases are given following the table.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for Services	\$ 2,121,211	\$ 1,981,257	\$ 4,789,975	\$ 4,317,499	\$ 6,911,186	\$ 6,298,756
Operating grants and contributions	1,147,705	1,000,103	-	-	1,147,705	1,000,103
Capital grants and contributions	53,098	98,920	-	117,307	53,098	216,227
General revenues:						
Property taxes	9,301,172	9,034,450	-	-	9,301,172	9,034,450
Other taxes	631,186	613,636	-	-	631,186	613,636
Other general revenues	1,458,448	2,995,056	6,147	86,664	1,464,595	3,081,720
Total revenues	14,712,820	15,723,422	4,796,122	4,521,470	19,508,942	20,244,892
Expenses						
General government	1,739,455	1,627,637	-	-	1,739,455	1,627,637
Public Safety	7,219,626	6,378,649	-	-	7,219,626	6,378,649
Public Works	2,666,185	2,202,006	-	-	2,666,185	2,202,006
Health and Human Services	916,806	729,305	-	-	916,806	729,305
Culture, recreation and education	1,255,017	1,064,661	-	-	1,255,017	1,064,661
Conservation and development	3,862,232	4,740,085	-	-	3,862,232	4,740,085
Interest and fiscal charges	695,522	668,028	-	-	695,522	668,028
Water	-	-	1,355,672	1,291,139	1,355,672	1,291,139
Storm Water	-	-	970,326	867,019	970,326	867,019
Sanitary Sewer	-	-	1,409,949	1,637,421	1,409,949	1,637,421
Total expenses	18,354,843	17,410,371	3,735,947	3,795,579	22,090,790	21,205,950
Increase (decrease) in net position before transfers	(3,642,023)	(1,686,949)	1,060,175	725,891	(2,581,848)	(961,058)
Transfers	305,623	1,761,141	(305,623)	(1,761,141)	-	-
Changes in net position	(3,336,400)	74,192	754,552	(1,035,250)	(2,581,848)	(961,058)
Net position - Beginning of year	6,865,300	5,066,638	15,791,923	16,250,200	22,657,223	21,316,838
Prior Period Adjustment	(28,279)	1,724,470	-	576,973	(28,279)	2,301,443
Net position - End of year	\$ 3,500,621	\$ 6,865,300	\$ 16,546,475	\$ 15,791,923	\$ 20,047,096	\$ 22,657,223

Significant Changes in Governmental Activities

Governmental activities decreased the Village of Brown Deer's net position by (\$3,336,400), while the Business-type activities increased net position by \$754,552. The change in net position for governmental activities decreased from 2015 to 2016 due mainly to decrease in development related expenses in TIF 3. The change in net position for Business-type activities increased significantly from 2015 to 2016 primarily due to the Storm Water Fund transferring \$305,623 of capital assets to the Governmental Activities. Other individual increases/decreases to revenues and expenses are described below.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016

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 2015 and 2016.

	Governmental Activities			
	2016	2015	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 2,121,211	\$ 1,981,257	\$ 139,954	7.06%
Operating grants and contributions	1,147,705	1,000,103	147,602	14.76%
Capital grants and contributions	53,098	98,920	(45,822)	-46.32%
General revenues:				
Property taxes	9,301,172	9,034,450	266,722	2.95%
Other taxes	631,186	613,636	17,550	2.86%
Other general revenues	1,458,448	2,995,056	(1,536,608)	-51.30%
Total revenues	<u>\$ 14,712,820</u>	<u>\$ 15,723,422</u>	<u>\$ (1,010,602)</u>	<u>-6.43%</u>

Charge for services increased by \$139,954 in 2016, mainly due to court fines and penalties collected.

Operating grants and contributions increased from 2015 to 2016 by \$147,602. The increase is primarily due to Health Department grant increases for Immunization, Ebola, Public Health Preparedness and NACCHO and Transportation Aids received from the state to fund operating

Capital grants and contributions decreased by (\$45,822) from 2015. The decrease was mainly due to capital contributions received in 2015 that did not occur in 2016

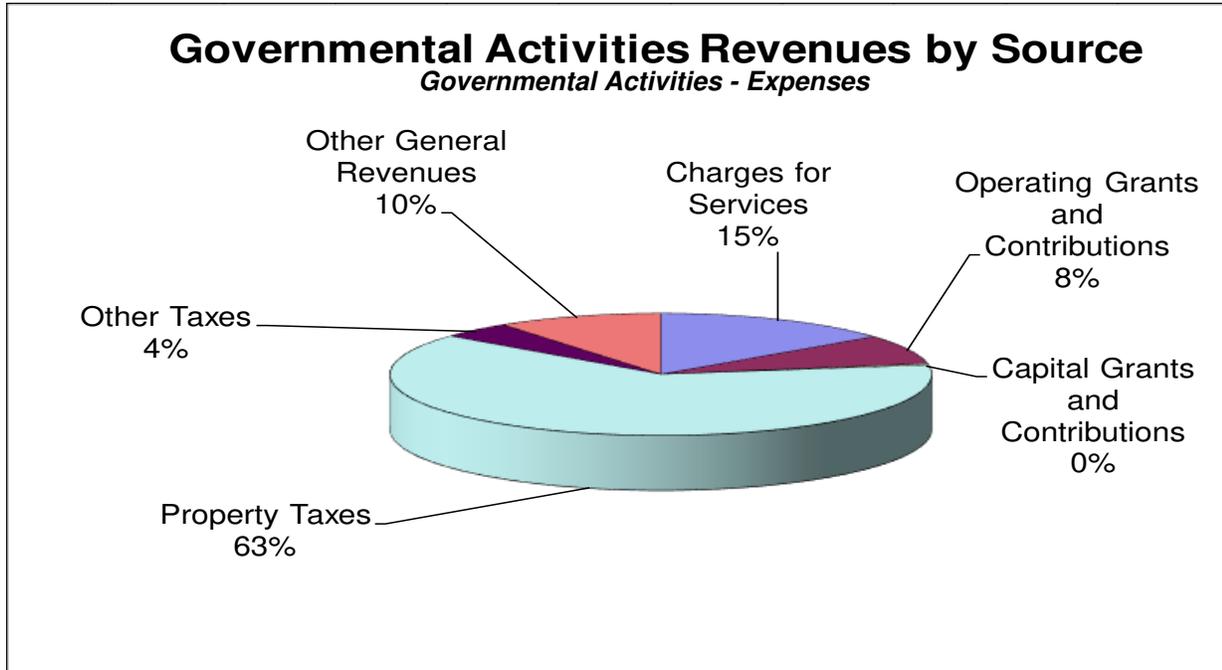
Other general revenues decreased (\$1,536,608) from 2015. The main reason for the decrease is the sale of the American TV property to a developer in 2015.

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 2016, property taxes levied for all purposes other than the TIF increased \$13,826 or 0.17%.

VILLAGE OF BROWN DEER

Management’s Discussion and Analysis
As of and For the Year Ended December 31, 2016

As identified above and on the chart below, property taxes are the largest revenue source for the Village’s Governmental Activities category accounting for 63% of total revenues. Like most Wisconsin municipalities, the Village does not charge a local sales or income tax. The percentage composition of revenues has remained stable for the last several years.



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 2015 and 2016 expenditures; the reasons for significant changes are addressed following the table.

Expenses	2016	2015	Change	% Chg
General government	\$ 1,739,455	\$ 1,627,637	\$ 111,818	6.87%
Public safety	7,219,626	6,378,649	840,977	13.18%
Public works	2,666,185	2,202,006	464,179	21.08%
Health and human services	916,806	729,305	187,501	25.71%
Culture, recreation and education	1,255,017	1,064,661	190,356	17.88%
Conservation and development	3,862,232	4,740,085	(877,853)	-18.52%
Interest and fiscal charges	695,522	668,028	27,494	4.12%
Total expenses	<u>\$ 18,354,843</u>	<u>\$ 17,410,371</u>	<u>\$ 944,472</u>	<u>5.42%</u>

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

General government expenditures increased \$111,818 compared to 2015. This can be attributed increase in wages and benefits. 2015 had one elections and 2016 had four elections.

Public safety increased expenditures over 2015 by \$840,977 due to North Shore Fire Department and Dispatch Services operating and capital cost.

Public works increased expenditures by \$464,179 due to street rehabilitation projects and public work equipment (bobcat tool cat, ski loader, snow blade, 60" mower, patrol truck).

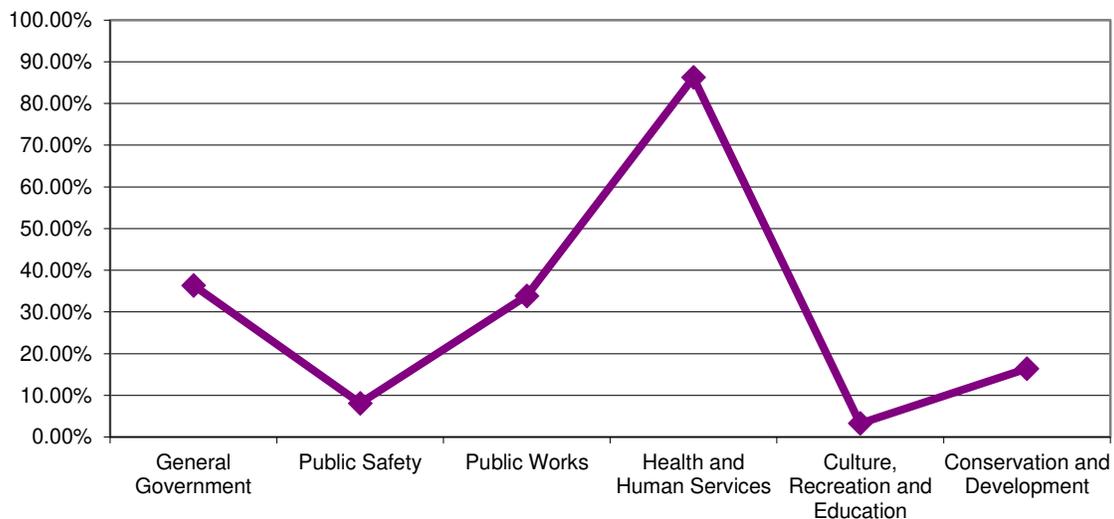
Health and Human Services increase expenditures by \$187,501 due mainly to wages, benefits and program supplies.

Culture, recreation and education expenditures increased \$190,356, due to the cost of wages, benefits and program supplies for the Village Park, Recreation and Pond programs, Library and Special Events (Farmer's Market, Vibes and Eat & Greet).

Conservation and Development expenditures decreased by (\$877,853) in 2016. The main reason for the decrease in expenditures is due to no TIF District Projects for 2016.

As mentioned within the revenues section, program revenues are revenues intended to pay for a certain activity or function. The graph below illustrates how much of each function's expenses are funded by program revenues. All expenses not funded through program revenues are financed with general revenues, primarily tax levy. In 2016, Health and Human Services was the function that was most funded by program revenues as a result of the grants that the health department diligently applies for and receives and the fact that the Village administers a health department for several other communities all of whom share in the costs of the program. Only the Village's portion of this program is funded by general revenues. General Government is the second department to most utilized program revenue and Public Works Department is the third department to most utilize program revenues due to the capital contributions received for projects completed throughout the year.

Percentages of Expenses funded by Program Revenues



VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016

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 2015 to 2016 revenues.

	Business-type Activities			
	2016	2015	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 4,789,975	\$ 4,317,499	\$ 472,476	10.94%
Capital grants and contributions	-	117,307	(117,307)	-100.00%
General revenues:				
Other general revenues	6,147	86,664	(80,517)	-92.91%
Total revenues	<u>\$ 4,796,122</u>	<u>\$ 4,521,470</u>	<u>\$ 274,652</u>	<u>6.07%</u>

There was a rate increase to Village Utility customers for 2016. Since Charges for Service is based on usage and usage was up there was an increase of \$472,476.

Capital Grants and Contributions represent assets contributed by developers in the water and sanitary sewer utilities. There was no contribution made by any developer in 2016.

The Other General Revenues category is comprised of interest income and gain on sale of Village property which there where none in 2016.

Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2015 to 2016.

	Business-type Activities			
	2016	2015	Change	% Chg
Expenses				
Water	\$ 1,355,672	\$ 1,291,139	\$ 64,533	5.00%
Storm Water	970,326	867,019	103,307	11.92%
Sanitary Sewer	1,409,949	1,637,421	(227,472)	(13.89)%
Total expenses	<u>\$ 3,735,947</u>	<u>\$ 3,795,579</u>	<u>\$ (59,632)</u>	<u>-1.57%</u>

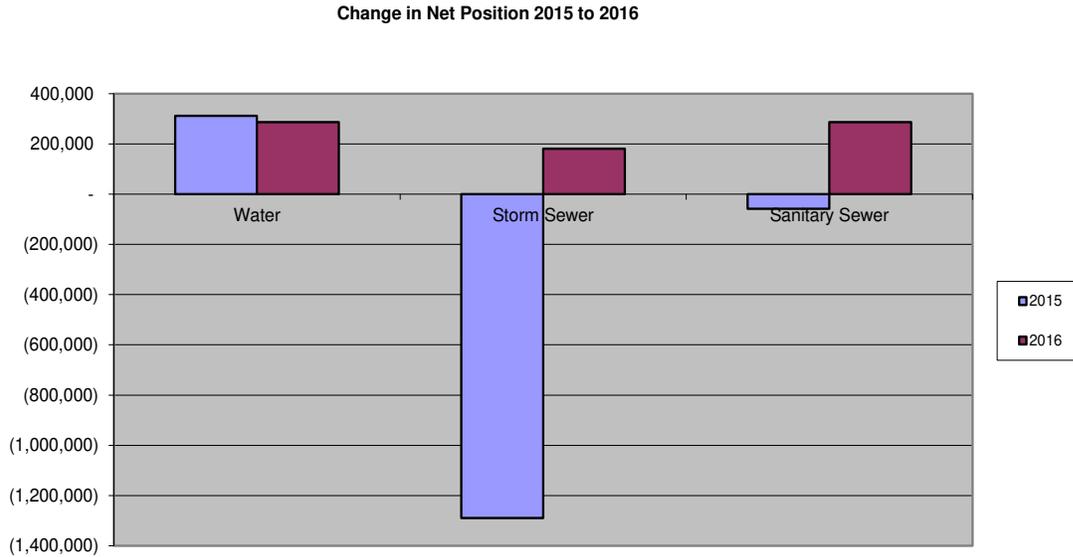
Water Utility expenses increased by \$64,533 from 2015 to 2016 mainly due to increase to maintenance cost to mains. Storm water expenses increased \$103,307 in 2016 due to reconstruction of Bradley Road. The Sanitary Sewer expenses decreased (\$227,472) due to N 60th Street Water Main Relay. Village typically alternates years in terms of focusing maintenance improvement efforts between sanitary sewer and storm water.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

Business-type activities increased the Village of Brown Deer's net position by \$754,552 in 2016 and the graph below shows the net income by utility for each year.

Specific reasons for these changes were previously addressed.



FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements can be found on pages 8-13 of this report.

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

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

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, 2016, the governmental funds reported combined ending fund balances of \$5,324,019, a decrease of (\$415,301) in comparison with the prior year. Forty-two percent (42%) of the Village's fund balance is considered *Nonspendable Fund balances*, which are items such as prepaid, advances to other funds and non-current receivables. The *Restricted Fund balance* is nine percent (9%) which consists of items legally restricted in relation to debt service, unspent bond proceeds, Tax Increment Districts, the Library, police donations, police asset forfeitures, and capital construction. The *Committed Fund balances* are balances that the Village Board by resolution committed for a set purpose. This thirty-seven percent (37%) 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. Twelve percent (12%) 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, 2016, the total fund balance of the General Fund was \$5,289,084 of which \$3,053,356 was unassigned. This unassigned fund balance represents approximately thirty-one (31%) of total general fund expenditures. The Village has established a fund balance policy for the General Fund which sets the minimum fund balance at 15% of the subsequent year's budgeted expenditures. This policy has been met for 2016.

TIF District No. 2's fund balance decreased (\$614,587) due to the purchase of 4740 W Bradley Road (Celebration building) and outdoor lighting project along Bradley Road.

TIF District No. 3's fund balance decrease (\$214,179) due to Lighthouse Developer Agreement, reconstruction of Park Plaza to service Pak Tech and Aldi.

TIF District No. 4's fund balance decrease (\$667,425) due to principal and interest due on long term debt and value has decrease below the original value at the start of the TIF.

The capital improvement fund increased the fund balance by \$534,744 resulting from capital purchases with unspent bond proceeds.

The Village's nonmajor funds increased the fund balance by \$235,942 and remains comparable to 2015.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were under budget by (\$31,549) and can be accounted for by the following revenues that exceeded budget expectations:

- We received (\$77,584) less in revenue from state aid
- Licenses and permits came in under budget by (\$35,945) due to decrease in building, electrical, plumbing, and heating and A/C permits.
- Fines, forfeitures and penalties came in over budget by \$202,954
- Public Charges for service came in over budget by \$30,067
- Miscellaneous revenue came in over budget by \$42,559 due to commercial revenues.

General Fund expenditures were over budgeted amount by \$12,561. General Government, Public Works and Park and Recreation Department were the only departments that were under budget.

There was no budget amendment made in 2016 in the General Fund. The Village was able to remain eligible for the State of Wisconsin expenditure restraint program. This program provides state funding to communities that restrict spending growth within their General Fund.

PROPRIETARY FUNDS

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, the storm water utility and the sanitary sewer utility, all of which are considered to be major funds of the Village of Brown Deer. The basic proprietary fund financial statements can be found on pages 14-18 of this report.

Unrestricted net position of the water, storm water and sanitary sewer utilities at the end of the year amounted to \$1,571,776; \$638,758; and \$1,600,249 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 19 of this report.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis
As of and For the Year Ended December 31, 2016

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 20-61 of this report. The information provided below on capital assets and long-term debt can also be found within the notes to the financial statements.

CAPITAL ASSETS

The Village's capital asset activity for 2015 and 2016 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Land	\$ 1,374,569	\$ 1,374,569	\$ 11,654	\$ 11,654
Construction in progress	-	149,209	6,656	-
Machinery and equipment	4,170,158	3,800,310	1,367,648	1,367,648
Library collection	832,926	937,530	-	-
Buildings and improvements	7,188,026	7,109,814	477,886	477,886
Infrastructure	<u>18,405,766</u>	<u>17,337,556</u>	<u>27,388,833</u>	<u>26,773,190</u>
Total capital assets	<u>31,971,445</u>	<u>30,708,988</u>	<u>29,252,677</u>	<u>28,630,378</u>
Less accumulated depreciation	<u>(14,605,155)</u>	<u>(13,556,842)</u>	<u>(11,843,837)</u>	<u>(11,319,010)</u>
Capital assets net of depreciation	<u>\$ 17,366,290</u>	<u>\$ 17,152,146</u>	<u>\$ 17,408,840</u>	<u>\$ 17,311,368</u>

Governmental Activities

- Machinery and Equipment increased \$369,848 due to following purchases: DPW – 5-yard Truck, 60” Mower, Bobcat Tool cat, Bobcat Skid loader, Park & Rec – Tracker, Police – (3) Squad Cars, Harley Davidson Motorcycle, Network Fabric Switch, Village Hall – Microsoft Office 365
- Building and improvements increased by \$78,212 due to roof replacement over police department
- \$1,068,210 of infrastructure was added during 2016; was for sidewalks (N 60th St – N 51st St) and road resurfacing N 51st Street, N Wahner Avenue, N 56th Street, W Dean Road, N 53rd Street, W Willow Road.

Business-type Activities

- Water Utility added \$467,647 to infrastructure due to replacement of mains, meters and fire hydrants
- Sewer Utility no change to assets
- Storm water utility added \$218,206 to infrastructure due to ditch rehab project.

Additional information on the Village of Brown Deer's capital assets can be found in Note 4 on pages 37-39.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

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 \$45,633,475, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of \$24,479,182. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2016, the Village of Brown Deer's outstanding debt equaled 53.64% of the state authorized debt.

The table below summarizes the Village's long term debt for 2015 and 2016:

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
General obligation bonds and notes	\$18,694,182	\$18,024,031	\$ 5,785,000	\$ 5,521,133
Amount due to developer	1,890,000	350,000	-	-
Unamortized premium on bonds	159,644	83,546	46,347	50,948
Compensated absences	398,187	381,210	51,785	50,714
OPEB liability	50,756	33,483	-	-
Total	<u>\$21,192,769</u>	<u>\$18,872,270</u>	<u>\$ 5,883,132</u>	<u>\$ 5,622,795</u>

In 2016, the Village of Brown Deer issued a \$3,265,000 General Obligation Bonds for public purposes, including financial assistance to community development project in the Village's Tax Incremental District No. 3. Additional information regarding the Village of Brown Deer's long-term debt can be found in Note 5 on pages 39 through 43.

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 11 on pages 55-58.

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 67-76 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current recession and economic conditions have impacted all communities across the United States. The Village of Brown Deer, while not exempt from this crisis has remained relatively sheltered from the worst of the problems. One advantage we have is that the collection of delinquent property taxes is taken over by Milwaukee County each August. The County then pays the Village for any uncollected amounts. This has helped shelter the Village from some of the revenue shortfalls that many other communities have felt. On top of weathering the economic storm, the Village is currently operating under the changes that have been implemented by our legislature in Madison, which may prove to be somewhat difficult in the next few years.

VILLAGE OF BROWN DEER

Management's Discussion and Analysis As of and For the Year Ended December 31, 2016

The unemployment rate for Milwaukee County as of December, 2016 was 5.0% compared to 5.8% in December, 2015. This compares with an unemployment rate of 4.0% for the State of Wisconsin and a 4.7% 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>.

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

The Village's 2016 tax levy was again capped by the State of Wisconsin. The Village's limited to net new construction (.838) or \$35,614 plus an adjustment for changes in debt service of (\$21,789). The Village levied \$7,981,691, which is a 0.17% increase from the 2015 levy.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 14% of the Village's 2016 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 2017 budget for the General Fund includes an increase of 0.99% in total expenditures due mostly to salaries and benefits. The 2017 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>.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 8,468,275	\$ 4,221,021	\$ 12,689,296
Receivables, net			
Taxes	6,605,510	-	6,605,510
Special assessments	37,201	-	37,201
Accounts	295,690	1,221,666	1,517,356
Due from other governments	18,384	-	18,384
Inventory	-	15,654	15,654
Land held for resale	330,000	-	330,000
Investments in CVMIC	429,675	-	429,675
Capital assets			
Land	1,374,569	11,654	1,386,223
Other capital assets, net of depreciation	15,991,721	17,397,186	33,388,907
Total assets	33,551,025	22,867,181	56,418,206
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	2,982,089	220,152	3,202,241
Unamortized loss on refunding	560,731	-	560,731
Total deferred outflows of resources	3,542,820	220,152	3,762,972
Total assets and deferred outflows of resources	37,093,845	23,087,333	60,181,178
LIABILITIES			
Accounts payable and accrued expenses	612,130	408,189	1,020,319
Estimated claims payable	65,517	-	65,517
Accrued interest payable	168,756	36,269	205,025
Due to other governments	36	-	36
Special deposits	17,181	-	17,181
Unearned revenues	1,411	70,822	72,233
Net pension liability	613,983	45,884	659,867
Noncurrent liabilities			
Due within one year	2,493,515	521,570	3,015,085
Due in more than one year	18,699,254	5,361,562	24,060,816
Total liabilities	22,671,783	6,444,296	29,116,079
DEFERRED INFLOWS OF RESOURCES			
Subsequent year tax levy	9,629,324	-	9,629,324
Pension items	1,292,117	96,562	1,388,679
Total deferred inflows of resources	10,921,441	96,562	11,018,003
Total liabilities and deferred inflows of resources	33,593,224	6,540,858	40,134,082

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION (Continued)

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 12,820,500	\$ 12,657,986	\$ 25,478,486
Restricted for			
Pension	1,075,989	77,706	1,153,695
Debt service	96,715	-	96,715
Police asset forfeiture fund	4,776	-	4,776
Police donations	19,755	-	19,755
Park and recreation	105,513	-	105,513
Tax incremental district development	197,917	-	197,917
Library	73,216	-	73,216
Unrestricted (deficit)	<u>(10,894,577)</u>	<u>3,810,783</u>	<u>(7,083,794)</u>
TOTAL NET POSITION	<u>\$ 3,499,804</u>	<u>\$ 16,546,475</u>	<u>\$ 20,046,279</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,739,455	\$ 632,618	\$ -	\$ -
Public safety	7,219,626	575,664	7,542	-
Public works	2,666,185	345,620	503,624	53,098
Health and human services	916,806	194,654	595,857	-
Culture, recreation and education	1,255,017	309,330	40,682	-
Conservation and development	3,862,232	63,325	-	-
Interest and fiscal charges	696,339	-	-	-
Total governmental activities	18,355,660	2,121,211	1,147,705	53,098
Business-Type Activities				
Water utility	1,355,672	1,951,332	-	-
Sewer utility	1,409,949	1,686,576	-	-
Storm water utility	970,326	1,152,067	-	-
Total business-type activities	3,735,947	4,789,975	-	-
TOTAL PRIMARY GOVERNMENT	\$ 22,091,607	\$ 6,911,186	\$ 1,147,705	\$ 53,098

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,106,837)	\$ -	\$ (1,106,837)
	(6,636,420)	-	(6,636,420)
	(1,763,843)	-	(1,763,843)
	(126,295)	-	(126,295)
	(905,005)	-	(905,005)
	(3,798,907)	-	(3,798,907)
	(696,339)	-	(696,339)
	<u>(15,033,646)</u>	<u>-</u>	<u>(15,033,646)</u>
	-	595,660	595,660
	-	276,627	276,627
	-	181,741	181,741
	<u>-</u>	<u>1,054,028</u>	<u>1,054,028</u>
	<u>(15,033,646)</u>	<u>1,054,028</u>	<u>(13,979,618)</u>
General Revenues			
Property taxes			
Levied for general purposes	6,727,519	-	6,727,519
Levied for debt services	868,347	-	868,347
Levied for capital projects	1,705,306	-	1,705,306
Hotel room taxes	631,186	-	631,186
Intergovernmental revenues not restricted to specific programs	676,860	-	676,860
Investment income	41,633	6,147	47,780
Gain on sale of village property	33,761	-	33,761
Other	706,194	-	706,194
Total general revenues	<u>11,390,806</u>	<u>6,147</u>	<u>11,396,953</u>
Transfers	305,623	(305,623)	-
CHANGE IN NET POSITION	<u>(3,337,217)</u>	<u>754,552</u>	<u>(2,582,665)</u>
NET POSITION, JANUARY 1	6,865,300	15,791,923	22,657,223
Prior period adjustment	(28,279)	-	(28,279)
NET POSITION, JANUARY 1, RESTATED	<u>6,837,021</u>	<u>15,791,923</u>	<u>22,628,944</u>
NET POSITION, DECEMBER 31	<u>\$ 3,499,804</u>	<u>\$ 16,546,475</u>	<u>\$ 20,046,279</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2016

	<u>General</u>	<u>TIF No. 2</u>	<u>TIF No. 3</u>	<u>TIF No. 4</u>
ASSETS				
Cash and investments	\$ 5,066,608	\$ 181,551	\$ 196,032	\$ 35,999
Receivables, net				
Taxes				
Tax levy	4,342,368	390,187	435,227	78,648
Special assessments on tax roll	-	-	-	-
Accounts	184,414	5,676	28,152	11,047
Due from other governments	-	-	-	-
Due from other funds	274,747	-	-	-
Advances to other funds	2,207,102	-	-	-
Land held for resale	-	330,000	-	-
TOTAL ASSETS	<u>\$ 12,075,239</u>	<u>\$ 907,414</u>	<u>\$ 659,411</u>	<u>\$ 125,694</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 435,894	\$ 63,791	\$ 1,283	\$ 2,046
Due to other governments	-	-	-	-
Due to other funds	2,793	72,286	202,461	-
Advances from other funds	-	-	-	2,207,102
Special deposits	17,181	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>455,868</u>	<u>136,077</u>	<u>203,744</u>	<u>2,209,148</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent year tax levy	6,330,287	568,785	634,441	114,647
Special assessments	-	-	-	-
Other deferred inflows	-	4,635	28,040	20,353
Total deferred inflows of resources	<u>6,330,287</u>	<u>573,420</u>	<u>662,481</u>	<u>135,000</u>
FUND BALANCES				
Nonspendable				
Delinquent personal property taxes	8,871	-	-	-
Advances to other funds	2,207,102	-	-	-
Restricted				
Debt service	-	-	-	-
Tax increment district development	-	197,917	-	-
Library	-	-	-	-
Police donations	19,755	-	-	-
Police asset forfeiture	-	-	-	-
Park and recreation	-	-	-	-
Committed				
Capital asset acquisition and construction	-	-	-	-
Street lighting	-	-	-	-
North Shore Health Department	-	-	-	-
Recycling	-	-	-	-
Park and recreation	-	-	-	-
Unassigned (deficit)	<u>3,053,356</u>	<u>-</u>	<u>(206,814)</u>	<u>(2,218,454)</u>
Total fund balances (deficit)	<u>5,289,084</u>	<u>197,917</u>	<u>(206,814)</u>	<u>(2,218,454)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,075,239</u>	<u>\$ 907,414</u>	<u>\$ 659,411</u>	<u>\$ 125,694</u>

Capital Improvements	Nonmajor Governmental	Total Governmental
\$ 936,030	\$ 1,954,663	\$ 8,370,883
255,192	1,103,888	6,605,510
-	37,201	37,201
9,290	28,870	267,449
-	18,384	18,384
-	2,793	277,540
-	-	2,207,102
-	-	330,000
<u>\$ 1,200,512</u>	<u>\$ 3,145,799</u>	<u>\$ 18,114,069</u>

\$ 12,925	\$ 74,354	\$ 590,293
-	36	36
-	-	277,540
-	-	2,207,102
-	-	17,181
-	1,411	1,411
<u>12,925</u>	<u>75,801</u>	<u>3,093,563</u>

372,000	1,609,164	9,629,324
-	4,968	4,968
-	9,167	62,195
<u>372,000</u>	<u>1,623,299</u>	<u>9,696,487</u>

-	-	8,871
-	-	2,207,102
-	96,715	96,715
-	-	197,917
-	73,216	73,216
-	-	19,755
-	4,776	4,776
-	105,513	105,513
815,588	-	815,588
-	246,166	246,166
-	161,181	161,181
-	649,128	649,128
-	110,312	110,312
-	(308)	627,780
<u>815,588</u>	<u>1,446,699</u>	<u>5,324,020</u>

<u>\$ 1,200,513</u>	<u>\$ 3,145,799</u>	<u>\$ 18,114,070</u>
---------------------	---------------------	----------------------

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

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

December 31, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 5,324,020

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in governmental funds 17,366,290

Special assessments and other receivables recognized as revenue 67,163

Deferred outflows of resources that are not current financial obligations 3,542,820

Deferred inflows of resources that are not current financial resources (1,292,117)

Pension liability that is not a current financial obligation (613,983)

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. 467,954

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the governmental funds

Bonds and notes payable (18,694,182)

Unamortized premium (159,644)

Amount due to developer (1,890,000)

Compensated absences (398,187)

Other postemployment benefits (50,756)

Accrued interest (168,756)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,500,622

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	General	TIF No. 2	TIF No. 3	TIF No. 4
REVENUES				
Taxes	\$ 6,925,859	\$ 928,976	\$ 352,071	\$ 52,259
Intergovernmental revenues	1,205,440	1,742	20,291	1,703
Licenses and permits	394,555	-	-	-
Fines, forfeitures, and penalties	442,954	-	-	-
Public charges for services	41,092	-	-	-
Public improvement revenues	-	-	-	-
Intergovernmental charges for services	-	-	-	-
Commercial revenues	186,159	63,692	563,967	-
Total revenues	9,196,059	994,410	936,329	53,962
EXPENDITURES				
Current				
General government	1,269,132	-	-	-
Public safety	6,252,821	-	3,425	-
Public works	1,248,551	-	-	-
Health and human services	142,142	-	-	-
Culture, recreation, and education	212,401	-	-	-
Conservation and development	-	137,131	674,960	280,086
Capital outlay	-	724,147	-	763
Principal retirement	-	600,000	740,000	264,708
Interest and fiscal charges	-	173,732	72,123	175,830
Total expenditures	9,125,047	1,635,010	1,490,508	721,387
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	71,012	(640,600)	(554,179)	(667,425)
OTHER FINANCING SOURCES (USES)				
Transfers in	305,623	-	-	-
Transfers (out)	(90,000)	-	-	-
Issuance of long-term debt	-	-	340,000	-
Refunding bonds issued	-	1,655,000	-	-
Proceeds from sale of capital assets	51,848	-	-	-
Premium on debt issued	-	-	-	-
Payment to escrow agent	-	(1,628,987)	-	-
Total other financing sources (uses)	267,471	26,013	340,000	-
NET CHANGE IN FUND BALANCES	338,483	(614,587)	(214,179)	(667,425)
FUND BALANCES (DEFICIT), JANUARY 1	4,950,601	812,504	7,365	(1,551,029)
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), JANUARY 1, RESTATED	4,950,601	812,504	7,365	(1,551,029)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 5,289,084	\$ 197,917	\$ (206,814)	\$ (2,218,454)

	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$	372,000	\$ 1,301,193	\$ 9,932,358
	-	378,500	1,607,676
	-	107,103	501,658
	-	-	442,954
	-	519,641	560,733
	-	52,925	52,925
	-	456,856	456,856
	200	216,126	1,030,144
	<u>372,200</u>	<u>3,032,344</u>	<u>14,585,304</u>
	-	-	1,269,132
	145,244	112,010	6,513,500
	-	379,056	1,627,607
	-	691,972	834,114
	-	822,434	1,034,835
	-	-	1,092,177
	1,707,706	431	2,433,047
	80,145	894,999	2,579,852
	14,360	185,356	621,401
	<u>1,947,455</u>	<u>3,086,258</u>	<u>18,005,665</u>
	<u>(1,575,255)</u>	<u>(53,914)</u>	<u>(3,420,361)</u>
	-	-	305,623
	-	-	(90,000)
	2,110,000	205,000	2,655,000
	-	-	1,655,000
	-	-	51,848
	-	84,856	84,856
	-	-	(1,628,987)
	<u>2,110,000</u>	<u>289,856</u>	<u>3,033,340</u>
	<u>534,745</u>	<u>235,942</u>	<u>(387,021)</u>
	309,122	1,210,757	5,739,320
	<u>(28,279)</u>	<u>-</u>	<u>(28,279)</u>
	<u>280,843</u>	<u>1,210,757</u>	<u>5,711,041</u>
\$	<u>815,588</u>	\$ <u>1,446,699</u>	\$ <u>5,324,020</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (387,021)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements	1,543,616
Depreciation is reported in the government-wide financial statements	(1,311,385)
Proceeds from the sale of capital assets are recorded as revenue in the governmental funds but are removed from revenues in the statement of activities (\$28,786). The gain on the sale of capital assets is recognized within the statement of activities (\$16,482).	(18,087)
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.	63,325
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	(4,394,856)
Principal repaid	4,208,839
Some expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds	
Pension related expenses	(812,315)
Amount payable to developer	(2,040,000)
Other postemployment benefits	(17,273)
Compensated absences	(16,977)
Accrued interest on debt	(32,040)
Amortization of loss on refunding	(51,656)
Amortization of premium	8,758
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>(79,327)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (3,336,399)</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Total	Internal
			Utility		Service
					Fund
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,242,577	\$ 1,453,256	\$ 444,695	\$ 3,140,528	\$ 97,392
Accounts receivable	533,183	433,208	255,275	1,221,666	28,241
Materials and supplies inventory	15,654	-	-	15,654	-
Restricted assets - cash and cash equivalents					
Unspent bond proceeds	665,545	109,307	305,641	1,080,493	-
Total current assets	2,456,959	1,995,771	1,005,611	5,458,341	125,633
NONCURRENT ASSETS					
Capital assets					
Land	11,654	-	-	11,654	-
Structures, improvements, and equipment	13,611,529	8,205,772	7,417,066	29,234,367	-
Construction in progress	6,656	-	-	6,656	-
Less accumulated depreciation	(4,876,964)	(4,116,322)	(2,850,551)	(11,843,837)	-
Other assets					
Investment in CVMIC	-	-	-	-	429,675
Total noncurrent assets	8,752,875	4,089,450	4,566,515	17,408,840	429,675
Total assets	11,209,834	6,085,221	5,572,126	22,867,181	555,308
DEFERRED OUTFLOW OF RESOURCES					
Pension items	56,630	50,643	112,879	220,152	-
Total deferred outflows of resources	56,630	50,643	112,879	220,152	-
Total assets and deferred outflows of resources	11,266,464	6,135,864	5,685,005	23,087,333	555,308
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	107,099	270,749	30,341	408,189	21,837
Estimated claims payable	-	-	-	-	65,517
Accrued interest	11,992	7,362	16,915	36,269	-
Unearned revenue	70,822	-	-	70,822	-
Current portion of accumulated sick and vacation pay	9,867	4,724	8,136	22,727	-
Current portion of long-term liabilities	156,855	108,375	233,613	498,843	-
Total current liabilities	356,635	391,210	289,005	1,036,850	87,354
NONCURRENT LIABILITIES					
Accumulated sick and vacation pay	19,858	3,380	5,820	29,058	-
Net pension liability	12,194	10,436	23,254	45,884	-
Long-term bonds and notes payable	1,784,185	1,097,700	2,450,619	5,332,504	-
Total noncurrent liabilities	1,816,237	1,111,516	2,479,693	5,407,446	-
Total liabilities	2,172,872	1,502,726	2,768,698	6,444,296	87,354

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Total	Internal
			Utility		Service
					Fund
DEFERRED INFLOW OF RESOURCES					
Pension items	\$ 25,663	\$ 21,961	\$ 48,938	\$ 96,562	\$ -
Total deferred inflows of resources	25,663	21,961	48,938	96,562	-
Total liabilities and deferred inflows of resources	2,198,535	1,524,687	2,817,636	6,540,858	87,354
NET POSITION					
Net investment in capital assets	7,477,380	2,992,682	2,187,924	12,657,986	-
Restricted for pension	18,773	18,246	40,687	77,706	-
Unrestricted	1,571,776	1,600,249	638,758	3,810,783	467,954
TOTAL NET POSITION	\$ 9,067,929	\$ 4,611,177	\$ 2,867,369	\$ 16,546,475	\$ 467,954

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Total	Internal
			Utility		Service
					Fund
OPERATING REVENUES					
Sale of water	\$ 1,769,349	\$ -	\$ -	\$ 1,769,349	\$ -
Sewage collection charges	-	1,606,601	-	1,606,601	-
Storm water charges	-	-	995,355	995,355	-
Other operating revenues	181,983	79,975	158,179	420,137	3,007
Total operating revenues	1,951,332	1,686,576	1,153,534	4,791,442	3,007
OPERATING EXPENSES					
Operation and maintenance	1,096,891	1,231,325	685,350	3,013,566	200,575
Depreciation	215,567	155,536	223,958	595,061	-
Total operating expenses	1,312,458	1,386,861	909,308	3,608,627	200,575
OPERATING INCOME (LOSS)	638,874	299,715	244,226	1,182,815	(197,568)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	(2,970)	10,011	(894)	6,147	28,241
Other non-operating income (expense)	-	-	(1,467)	(1,467)	-
Interest expense	(43,214)	(23,088)	(61,018)	(127,320)	-
Total non-operating revenues (expenses)	(46,184)	(13,077)	(63,379)	(122,640)	28,241
INCOME (LOSS) BEFORE TRANSFERS	592,690	286,638	180,847	1,060,175	(169,327)
TRANSFERS					
Transfers in	-	-	-	-	90,000
Transfers (out)	(305,623)	-	-	(305,623)	-
Total transfers	(305,623)	-	-	(305,623)	90,000
CHANGE IN NET POSITION	287,067	286,638	180,847	754,552	(79,327)
NET POSITION, JANUARY 1	8,780,862	4,324,539	2,686,522	15,791,923	547,281
NET POSITION, DECEMBER 31	\$ 9,067,929	\$ 4,611,177	\$ 2,867,369	\$ 16,546,475	\$ 467,954

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-Type Activities			Total	Governmental
	Water Utility	Sewer Utility	Storm Water		Internal
			Utility		Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 1,865,151	\$ 1,622,313	\$ 1,162,704	\$ 4,650,168	\$ 1,598
Paid to suppliers for goods and services	(957,815)	(938,166)	(484,606)	(2,380,587)	(115,859)
Paid to employees for services	(90,310)	(83,073)	(168,996)	(342,379)	-
Transfer in - operational transfer	-	-	-	-	90,000
Net cash from operating activities	817,026	601,074	509,102	1,927,202	(24,261)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment of interfund obligations	(220)	-	-	(220)	(1,018)
Transfers (out) - paid for tax equivalent	(305,623)	-	-	(305,623)	-
Net cash from noncapital financing activities	(305,843)	-	-	(305,843)	(1,018)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash received from debt issuance	540,000	495,000	700,000	1,735,000	-
Payment on capital related advance	-	(11,491)	11,491	-	-
Principal paid on long-term debt	(373,100)	(406,000)	(692,033)	(1,471,133)	-
Interest paid on long-term debt	(43,810)	(27,283)	(62,369)	(133,462)	-
Acquisition and construction of capital assets	(474,303)	-	(218,206)	(692,509)	-
Net cash from capital and related financing activities	(351,213)	50,226	(261,117)	(562,104)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received (lost)	(2,970)	10,011	(894)	6,147	28,241
NET INCREASE IN CASH AND CASH EQUIVALENTS	157,000	661,311	247,091	1,065,402	2,962
CASH AND CASH EQUIVALENTS, JANUARY 1	1,751,122	901,252	503,245	3,155,619	94,430
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,908,122	\$ 1,562,563	\$ 750,336	\$ 4,221,021	\$ 97,392

(This statement is continued on the following page.)

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-Type Activities			Total	Governmental
	Water Utility	Sewer Utility	Storm Water Utility		Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 638,874	\$ 299,715	\$ 244,226	\$ 1,182,815	\$ (197,568)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	215,567	155,536	223,958	595,061	-
Transfer in - operational transfer	-	-	-	-	90,000
(Increase) decrease in assets and deferred outflows					
Accounts receivable	(87,994)	(64,263)	9,170	(143,087)	(1,409)
Inventory	1,768	-	-	1,768	-
Deferred outflows of resources	(34,182)	(34,254)	(76,388)	(144,824)	-
Increase (decrease) in liabilities					
Accounts payable and accrued liabilities	21,685	195,819	230	217,734	19,199
Estimated claims payable	-	-	-	-	65,517
Unearned revenue	1,813	-	-	1,813	-
Net pension liability	33,771	26,189	58,329	118,289	-
Deferred inflows of resources	25,663	21,961	48,938	96,562	-
Accumulated sick leave payable	61	371	639	1,071	-
NET CASH FROM OPERATING ACTIVITIES	\$ 817,026	\$ 601,074	\$ 509,102	\$ 1,927,202	\$ (24,261)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and cash equivalents	\$ 1,242,577	\$ 1,453,256	\$ 444,695	\$ 3,140,528	\$ 97,392
Restricted cash and cash equivalents	665,545	109,307	305,641	1,080,493	-
CASH AND CASH EQUIVALENTS	\$ 1,908,122	\$ 1,562,563	\$ 750,336	\$ 4,221,021	\$ 97,392

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

December 31, 2016

	<u>Agency Fund</u> <u>Property</u> <u>Tax</u>
ASSETS	
Cash and cash equivalents	\$ 6,510,380
Taxes receivable	13,819,808
TOTAL ASSETS	<u>\$ 20,330,188</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 29,981
Due to other taxing units	20,300,207
TOTAL LIABILITIES	<u>\$ 20,330,188</u>

See accompanying notes to financial statements.

VILLAGE OF BROWN DEER, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The Brown Deer Library Foundation (the Foundation) is a blended component unit of the Brown Deer Library (the Library)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

because the Library appoints the voting majority of the Foundation's board, the Library can impose its will on the Foundation, and the Foundation provides services exclusively to the Library, but due to its insignificance in relation to the financial statements, it is not included as a component unit of the Library in this report. The Village also considers the Community Development Authority (CDA) to be a component unit of the Village because the Village appoints the voting majority of the CDA's Board, the Village can impose its will on the CDA, and the CDA provides services exclusively to the Village. However, the CDA is currently inactive.

b. Fund Accounting

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

c. Government-Wide and Fund Financial Statements

The government-wide activities (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Village reports the following major enterprise funds:

Water Utility Fund - accounts for operations of the water system.

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

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

The Village reports the following nonmajor governmental funds:

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

The Village reports the following special revenue funds:

Park and Recreation Program Fund, Special Assessments Fund, Strehlow Donation Fund, Library Fund, Brown Deer Farmers Market Fund, North Shore Health Department Fund, Police Asset Forfeiture Fund, Policing Services Fund, Recycling Fund, Community Vibes Fund, Municipal Court Fund

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In addition, the Village reports the following fund types:

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

- Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments (Continued)

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

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

Custodial Credit Risk

Collateralization is required on certificates of deposit that exceed the FDIC insurance limits and repurchase agreements. The amount to be collateralized is 100% of the market value of principal and accrued interest. The Village chooses to limit its collateral to U.S. Treasury securities and its agencies. Collateral must be held by an independent third party with whom the entity has a current custodial agreement.

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

Credit Risk and Concentration of Credit Risk

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

With the exception of U.S. Treasury securities and the Local Government Investment Pool, no more than 60% of the Village's total investment portfolio will be invested in a single security type or with a single financial institution and no more than 20% shall be with a single issuer of U.S. agencies or commercial paper.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Interest Rate Risk

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (the SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the Village's share of LGIP's assets was substantially equal to the amount as reported in these financial statements.

f. Interfund Receivables/Payables

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

g. Inventories/Prepaid Items

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Restricted Assets

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

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects 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, 2016, the Village had unspent bond proceeds of \$1,086,493.

i. Compensated Absence

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2016, are determined on the basis of current salary rates and included salary related payments.

j. Capital Assets

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

borrowed funds. No net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

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

k. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Use of Estimates

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

m. Fund Balance/Net Position

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

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

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Village has a formal minimum fund balance policy. That policy is to maintain a working capital amount of a minimum of 15% of the ensuing year's budgeted General Fund expenditures, with a targeted maximum of 30% of the ensuing year's budgeted expenditures. The 15% minimum balance at year end was \$1,505,475 and is included in the unassigned General Fund balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts and any premiums or discounts, are reported as other financing sources or other financing uses, respectively. Payments of principal and interest, and debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

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

The Village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$9.71 million, made up of two issues.

2. DEPOSITS AND INVESTMENTS

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

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

	Carrying Value	Bank Balance	Associated Risks
Petty cash	\$ 8,758	\$ -	N/A
Demand deposits	10,127,079	7,337,775	Custodial credit risk
Certificates of deposit	3,506,338	3,506,338	Custodial credit risk
Money market accounts	618,407	618,407	Custodial credit risk
Local government investment pool	1,091,211	1,091,211	Credit risk and interest rate risk
Municipal bonds	337,793	337,793	Custodial credit, credit, concentration of credit risk, and interest rate risk
U.S. agencies	<u>3,510,090</u>	<u>3,510,090</u>	Custodial credit, credit, interest concentration of credit risk, and Interest rate risk
TOTAL	<u>\$ 19,199,676</u>	<u>\$ 16,401,614</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and cash equivalents	\$ 12,689,296		
Per statement of net position -			
Agency Fund			
Cash and cash equivalents	<u>6,510,380</u>		
TOTAL	<u>\$ 19,199,676</u>		

Deposits in each local bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the custodial credit risk.

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

a. Village Deposits

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

As of December 31, 2016, the Village's deposits were fully insured or collateralized.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has a separate custodian that holds the investments separate from the manager that purchases the investments.

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

As of December 31, 2016, the Village's investments were rated as follows:

Investment Type	Amount	Moody's Investors Services
U.S. agencies	\$ 3,510,090	AAA
Municipal bonds	50,109	Aa1
Municipal bonds	203,140	Aa2
Municipal bonds	84,545	Aa3
LGIP	1,091,211	Unrated

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

At December 31, 2016, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. agencies	19.14%
FNMA	U.S. agencies	18.74%

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

As of December 31, 2016, the Village's investments mature as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 6 months	6 months to 1 year	1-3 years	3 or more years
Local government investment pool	\$ 1,091,211	\$ 1,091,211	\$ -	\$ -	\$ -
Certificates of deposit	3,506,338	932,286	618,036	1,956,016	-
U.S. agencies	3,510,090	-	-	1,412,527	2,097,563
Municipal bonds	337,793	30,123	-	155,534	152,136
TOTAL	\$ 8,445,432	\$ 2,053,620	\$ 618,036	\$ 3,524,077	\$ 2,249,699

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

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

The Village has the following recurring fair value measurements as of December 31, 2016:

U.S. agency securities of \$3,510,090 and municipal bonds of \$337,793 are valued using a matrix pricing model (Level 2 inputs).

3. RECEIVABLES

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

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or zero percent for the 2015 levy collected in 2016 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

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

3. RECEIVABLES (Continued)

Property tax calendar - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	March 31, 2017
Third installment due	May 31, 2017
Personal property taxes in full	January 31, 2017
Tax settlements	
Initial settlement	January 15, 2017
Second settlement	February 15, 2017
Third settlement	April 15, 2017
Fourth settlement	June 15, 2017
Final settlement	August 15, 2017
Tax deed by County - 2015	
Delinquent real estate taxes	October 2019

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

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

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

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

3. RECEIVABLES (Continued)

	Unavailable	Unearned	Total
Property taxes receivable for subsequent year	\$ 9,629,324	\$ -	\$ 9,629,324
Special assessments not yet due	67,163	-	67,163
TOTAL DEFERRED	\$ 9,696,487	\$ -	\$ 9,696,487

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,374,569	\$ -	\$ -	\$ 1,374,569
Construction in progress	149,209	-	149,209	-
Total capital assets not being depreciated	1,523,778	-	149,209	1,374,569
Capital assets being depreciated				
Machinery and equipment	3,800,310	495,132	125,284	4,170,158
Library collection	937,530	51,271	155,875	832,926
Buildings and improvements	7,109,814	78,212	-	7,188,026
Infrastructure	17,337,556	1,068,210	-	18,405,766
Total capital assets being depreciated	29,185,210	1,692,825	281,159	30,596,876
Less accumulated depreciation for				
Buildings and improvements	4,077,965	372,111	107,197	4,342,879
Library collection	562,874	64,913	155,875	471,912
Machinery and equipment	1,887,068	237,729	-	2,124,797
Infrastructure	7,028,935	636,632	-	7,665,567
Total accumulated depreciation	13,556,842	1,311,385	263,072	14,605,155
Total capital assets being depreciated, net	15,628,368	381,440	18,087	15,991,721
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,152,146	\$ 381,440	\$ 167,296	\$ 17,366,290

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 11,654	\$ -	\$ -	\$ 11,654
Construction in progress	-	462,669	456,013	6,656
Total capital assets not being depreciated	11,654	462,669	456,013	18,310
Capital assets being depreciated				
Structures and improvements	477,886	-	-	477,886
Water utility system	12,048,019	467,647	70,146	12,445,520
Sewer utility system	7,824,031	-	-	7,824,031
Storm water utility system	6,901,076	218,206	-	7,119,282
Machinery and equipment	1,367,648	-	-	1,367,648
Total capital assets being depreciated	28,618,660	685,853	70,146	29,234,367
Less accumulated depreciation for				
Structures and improvements	335,718	8,695	-	344,413
Water utility system	3,778,393	223,298	70,146	3,931,545
Sewer utility system	3,839,361	97,008	-	3,936,369
Storm water utility system	2,574,560	204,106	-	2,778,666
Machinery and equipment	790,890	61,954	-	852,844
Total accumulated depreciation	11,318,922	595,061	70,146	11,843,837
Total capital assets being depreciated, net	17,299,738	90,792	-	17,390,530
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,311,392	\$ 553,461	\$ 456,013	\$ 17,408,840

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

GOVERNMENTAL ACTIVITIES

General government	\$ 174,742
Public safety	155,701
Public works, which includes the depreciation of infrastructure	820,679
Health and human services	1,437
Culture, recreation, and education	153,680
Conservation and development	5,146

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 1,311,385

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

4. CAPITAL ASSETS (Continued)

BUSINESS-TYPE ACTIVITIES	
Water utility	\$ 215,567
Sewer utility	155,536
Storm water utility	<u>223,958</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 595,061</u>

5. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

The following is a summary of changes in bonds, contracts payable and other long-term liabilities during 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and notes payable					
General obligation debt	\$ 17,394,358	\$ 4,310,000	\$ 3,559,703	\$ 18,144,655	\$ 1,859,654
G.O. note payable - Village of Whitefish Bay	401,706	-	52,540	349,166	54,321
G.O. note payable - Village of Bayside	227,967	-	27,606	200,361	28,496
Unamortized premium on bonds	83,546	84,856	8,758	159,644	13,812
Total bonds and notes payable	<u>18,107,577</u>	<u>4,394,856</u>	<u>3,648,607</u>	<u>18,853,826</u>	<u>1,956,283</u>
Other liabilities					
Amount due to developer	350,000	2,040,000	500,000	1,890,000	250,000
Other postemployment benefits	33,483	57,187	39,914	50,756	-
Vested compensated absences	381,210	304,209	287,232	398,187	287,232
Total other liabilities	<u>764,693</u>	<u>2,401,396</u>	<u>827,146</u>	<u>2,338,943</u>	<u>537,232</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 18,872,270</u>	<u>\$ 6,796,252</u>	<u>\$ 4,475,753</u>	<u>\$ 21,192,769</u>	<u>\$ 2,493,515</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and notes payable					
General obligation debt	\$ 5,521,133	\$ 1,735,000	\$ 1,471,133	\$ 5,785,000	\$ 536,133
Unamortized premium on bonds	50,948	-	4,601	46,347	3,843
Other liabilities					
Vested compensated absences	50,714	23,798	22,727	51,785	22,727
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 5,622,795</u>	<u>\$ 1,758,798</u>	<u>\$ 1,498,161</u>	<u>\$ 5,883,132</u>	<u>\$ 562,703</u>

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

5. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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

b. General Obligation Debt

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2016 was \$44,979,710. Total general obligation debt and related pledges outstanding at year end was \$24,479,182.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
GOVERNMENTAL ACTIVITIES					
General obligation debt					
Taxable issues					
Refunding bonds	5/9/2011	4/1/2022	1.80%-4.35%	\$ 625,000	\$ 375,000
	11/26/2012	4/1/2028	1.00%-3.25%	5,345,000	4,720,000
	1/4/2016	4/1/2022	0.95%-2.35%	1,655,000	1,655,000
Community development bonds	5/2/2007	10/1/2022	5.40%-5.50%	3,355,000	265,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00%-3.00%	943,823	349,166
Bayside NSFD	4/6/2012	8/1/2023	0.80%-2.30%	501,799	200,361
Tax-exempt issues					
Promissory notes	3/6/2015	4/1/2022	0.50%-2.38%	1,410,000	1,225,000
	12/12/2011	4/1/2031	2.00%-3.35%	630,000	420,000
	11/26/2012	4/1/2032	0.65%-2.50%	550,000	550,000
Refunding bonds	1/4/2016	4/1/2022	1.50%-2.25%	1,140,000	205,000
Corporate purpose bonds	4/5/2010	4/1/2030	2.10%-5.80%	5,355,000	4,210,000
	10/27/2014	4/1/2030	2.00%-3.00%	2,025,000	2,025,000
	6/27/2016	4/1/2031	1.50%-2.50%	2,450,000	2,450,000
State Trust Fund loan	12/27/2012	3/15/2017	2.50%	301,122	44,655
TOTAL GOVERNMENTAL ACTIVITIES - GENERAL OBLIGATION DEBT				\$ 26,286,744	\$ 18,694,182

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

5. LONG-TERM DEBT (Continued)

b. General Obligation Debt (Continued)

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
BUSINESS-TYPE ACTIVITIES					
General obligation debt					
Tax-exempt issues					
Promissory notes	12/12/2011	4/1/2031	2.00%-3.35%	\$ 800,000	\$ 635,000
	11/26/2012	4/1/2016	2.00%	815,000	685,000
Refunding bonds	1/4/2016	4/1/2022	1.50%-2.25%	935,000	935,000
Corporate purpose bonds	4/3/2008	4/1/2016	2.60%-4.00%	1,125,000	620,000
	10/27/2014	4/1/2029	2.00%-3.00%	2,375,000	2,110,000
	6/27/2016	4/1/2031	1.50%-2.50%	800,000	800,000
TOTAL BUSINESS-TYPE ACTIVITIES - GENERAL OBLIGATION DEBT				<u>\$ 6,850,000</u>	<u>\$ 5,785,000</u>

c. Notes Payable

Note Payable - Village of Whitefish Bay

The Village issued a \$943,823 general obligation promissory note to the Village of Whitefish Bay for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The total balance due on the notes was \$349,166 on December 31, 2016. Principal is due annually on April 1 through 2022 and interest is due semi-annually on April 1 and October 1 with interest at rates of 2% to 3%.

Note Payable - Village of Bayside

The Village issued a \$501,799 general obligation promissory note to the Village of Bayside for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The balance due on this note was \$200,361 on December 31, 2016. 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 0.8% to 2.3%.

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

5. LONG-TERM DEBT (Continued)

d. Annual Maturities of General Obligation Debt

Debt service requirements to maturity are as follows:

	Governmental Activities		Business-Type Activities	
	Bonds and Notes Payable		Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 2,192,471	\$ 612,550	\$ 495,000	\$ 153,658
2018	2,194,598	465,845	485,000	139,811
2019	2,240,488	420,312	510,000	125,785
2020	2,142,269	371,885	530,000	111,175
2021	2,204,050	319,790	540,000	95,760
2022-2026	6,860,305	938,613	1,850,000	283,829
2027-2031	2,750,001	206,424	1,320,000	97,225
2032	-	-	55,000	3,526
TOTAL	\$ 20,584,182	\$ 3,335,419	\$ 5,785,000	\$ 1,010,769

e. Other Debt Information

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

During 2015, the Village entered into a tax increment district (TID) redevelopment agreement which includes a Municipal Revenue Obligation (MRO) to reimburse eligible project costs incurred by the developer. This obligation is payable solely from a portion of the Tax Increment District No. 3 increment as defined by the developer agreement. Should the TID close before the project costs are repaid, the Village is liable for any additional payments. The Village paid \$400,000 related to this agreement during 2016, and expects to pay additional sums of \$110,000, \$115,000, and \$125,000 during 2017, 2018, and 2019 respectively.

During 2014, the Village entered into a tax increment district redevelopment agreement which includes a MRO to reimburse eligible project costs incurred by the developer. This obligation is payable solely from a portion of the Tax Increment District No. 3 increment as defined by the developer agreement. Should the TID close before the project costs are repaid, the Village is liable for any additional payments. Total costs that could be reimbursed amount to \$2,180,000. The Village paid \$500,000 related to this agreement during 2016 and expects to make 11 additional installment payments beginning in June 2017 and continuing until June 2027.

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

5. LONG-TERM DEBT (Continued)

f. Advance Refunding

On January 4, 2016, the Village issued \$1.655 million in taxable general obligation bonds with an average interest rate of 1.7% to advance refund \$1.560 million of outstanding 2007 series taxable community development bonds with an average interest rate of 5.4%. The net proceeds of \$1.65 million (after payment of \$36,475 in underwriting fees and other issuance costs) plus \$19,719 of cash on hand, were used to purchase \$1,609,268 of U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the 2007 series bonds. As a result, the 2007 series bonds are considered to be defeased and the liability for those bonds was removed from the financial statements in 2016. Through the refunding, the Village reduced its overall debt service by \$5,808 and had an immaterial economic gain. As of December 31, 2016, \$1,560,000 of the defeased bonds were outstanding to be paid from escrow.

6. NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2016 includes the following:

Governmental Activities	
Net investment in capital assets	
Land	\$ 1,374,569
Other capital assets, net of accumulated depreciation	15,991,721
Less: related long-term capital debt outstanding	(5,612,024)
Plus: unamortized loss related to capital debt	37,538
Plus: unspent capital related debt proceeds	<u>1,028,696</u>
Total net investment in capital assets	<u>12,820,500</u>
Restricted	
Pension	1,075,989
Debt service	96,715
Police asset forfeiture fund	4,776
Police donations	19,755
Parks and recreation	105,513
TIF development	197,917
Library	<u>73,216</u>
Total restricted	<u>1,573,881</u>
Unrestricted (deficit)	<u>(10,893,760)</u>
TOTAL GOVERNMENT ACTIVITIES NET POSITION	<u><u>\$ 3,500,621</u></u>

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

6. NET POSITION/FUND BALANCES (Continued)

Business-Type Activities	
Net investment in capital assets	
Land	\$ 11,654
Construction in progress	6,656
Other capital assets, net of accumulated depreciation	17,390,530
Less: related long-term capital debt outstanding	(5,785,000)
Less: premium on debt	(46,347)
Plus: unspent capital related debt proceeds	<u>1,080,493</u>
Total net investment in capital assets	12,657,986
Restricted for pension	77,706
Unrestricted	<u>3,810,783</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 16,546,475</u>

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

	Governmental Activities	Business-Type Activities	Adjustment	Total
Net investment in capital assets	\$ 12,820,500	\$ 12,657,986	\$ (173,406)	\$ 25,305,080
Unrestricted	(10,893,760)	3,810,783	173,406	(6,909,571)

Fund Balance Deficits

As of December 31, 2016, TIF Nos. 3 and 4 had a fund balance deficits of \$206,814 and \$2,218,454, respectively. The deficits are expected to be mitigated by future tax increments. The Policing Services Fund has a deficit fund balance of (\$308)

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

7. INTERFUND ACCOUNTS

a. Interfund Receivables/Payables, Advances, and Transfers

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Interfund receivable/payable			
General	TIF No. 2	\$ 72,286	
General	TIF No. 3	202,461	
Municipal Court	General	<u>2,793</u>	
TOTAL		<u>\$ 277,540</u>	
Interfund advances			
General Fund	TIF No. 4	<u>\$ 2,207,102</u>	<u>\$ 2,207,102</u>
TOTAL		<u>\$ 2,207,102</u>	<u>\$ 2,207,102</u>

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

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

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

The following is a schedule of interfund transfers:

	Transfers In	Transfers Out
General Fund	\$ 305,623	\$ 90,000
Water Utility	-	305,623
Internal Service Fund	<u>90,000</u>	<u>-</u>
TOTAL	<u>\$ 395,623</u>	<u>\$ 395,623</u>

7. INTERFUND ACCOUNTS (Continued)

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

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

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

8. RISK MANAGEMENT

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

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

WMIC has no assets, liabilities, equity, or financial activity for the year ended December 31, 2016.

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

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

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

8. RISK MANAGEMENT (Continued)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The Village does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. The Village's percentage participation in WMIC and CVMIC on December 31, 2016 was approximately 1.727%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2016, the lump sum payment would be \$429,675.

The Village records an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimates of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Changes in the unpaid claim liability amount in fiscal years 2015 and 2016 were:

Fiscal Year	Beginning Balance	Incurred Claims	Claims Paid/Settled	Ending Balance
2015	\$ -	\$ 31,382	\$ 31,382	\$ -
2016	-	379,667	314,150	65,517

At December 31, 2016, the internal service fund established for liability insurance has a net position of \$467,954.

9. 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, 2016, are not likely to have a material adverse impact on the Village's financial position.

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

9. COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. The liability for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note 5e on commitments and contingencies.

10. DEFINED BENEFIT PENSION PLAN

a. Summary of Significant Accounting Policies

Wisconsin Retirement System

Pensions

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

Accounting Changes

WRS adopted GASB Statement No. 82, *Pension Issues, an amendment of GASB No. 67, No. 68, and No. 73*, during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the required supplementary information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions.

b. Plan Description

Wisconsin Retirement System

WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. WRS is administered by the Wisconsin Department of Employee Trust Funds (ETF). WRS

10. DEFINED BENEFIT PENSION PLAN

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

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

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

Vesting

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

Benefits Provided

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

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

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

WRS also provides death and disability benefits for employees.

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustments</u>	<u>Variable Fund Adjustments</u>
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

Contributions

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Contributions (Continued)

During the reporting period, the WRS recognized \$384,052 in contributions from the employer

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives and elected officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2016, the Village reported a liability (asset) of \$659,867 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the Village's proportion was 0.04056323%, which was a decrease of 0.0000446% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Village recognized pension expense of \$882,114.

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

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

At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,388,679
Changes in assumptions	461,672	-
Net differences between projected and actual earnings on pension plan investments	2,339,266	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	169	-
Employer contributions subsequent to the measurement date	401,134	-
	<hr/>	<hr/>
TOTAL	<u>\$ 3,202,241</u>	<u>\$ 1,388,679</u>

\$401,134 reported as deferred outflows related to pension resulting from WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 853,702	\$ (336,063)
2018	853,702	(336,063)
2019	853,702	(336,063)
2020	225,225	(336,063)
Thereafter	15,013	(44,427)

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	December 31, 2014
Measurement date of net pension liability (asset)	December 31, 2015
Actuarial cost method	Entry-age
Asset valuation method	Fair market value
Long-term expected rate of return	7.2%
Discount rate	7.2%
Salary increases	
Inflation	3.2%
Seniority/merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Postretirement adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2015 is based upon a rollforward of the liability calculated from the December 31, 2014 actuarial valuation.

Long-Term Expected Return on Plan Assets

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets (Continued)

	Retirement Funds Asset Allocation Targets and Expected Returns As of December 31, 2015			
	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class				
U.S. equities	27.0%	23%	7.6%	4.7%
International equities	24.5%	22%	8.5%	5.6%
Fixed income	27.5%	37%	4.4%	1.6%
Inflation sensitive assets	10.0%	20%	4.2%	1.4%
Real estate	7.0%	7%	6.5%	3.6%
Private equity/debt	7.0%	7%	9.4%	6.5%
Multi-asset	4.0%	4%	6.7%	3.8%
Total core fund	107.0%	120%	7.4%	4.5%
Variable Fund Asset Class				
U.S. equities	70.0%	70%	7.6%	4.7%
International equities	30.0%	30%	8.5%	5.6%
Total variable fund	100.0%	100%	7.9%	5.0%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2/75%
 Asset allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Single Discount Rate

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

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

10. DEFINED BENEFIT PENSION PLAN (Continued)

b. Plan Description (Continued)

Wisconsin Retirement System (Continued)

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

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$ 4,628,320	\$ 659,867	\$ (2,439,566)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements which are available at <http://etf.wi.gov/publications/cafr.htm>

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

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

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

c. Membership

At January 1, 2016, membership consisted of:

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

d. Funding Policy

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

e. Annual OPEB Cost and Net OPEB Obligation

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 48,275	\$ 46,972	97.3%	\$ 37,455
2015	49,191	53,163	108.1%	33,483
2016	57,187	39,914	69.8%	50,756

The net OPEB obligation as of January 1, 2016 was calculated as follows:

Annual required contribution	\$ 57,482
Interest on net OPEB obligation	1,339
Adjustment to annual required contribution	<u>(1,634)</u>
Annual OPEB cost	57,187
Contributions made	<u>(39,914)</u>
Change in net OPEB obligation	17,273
Net OPEB obligation, beginning of year	<u>33,483</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 50,756</u>

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2016 was as follows:

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples of these estimates include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual requested contributions of the Village are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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.

In the January 1, 2016, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an investment rate of return of 4.0% and an initial healthcare cost trend rate of 7.5% with an ultimate healthcare inflation rate of 5.5%. Investment rate of return includes a 3.0% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2016 was 24 years.

12. BASIS FOR EXISTING RATES

a. Water Utility

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

b. Sewer Utility

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

12. BASIS FOR EXISTING RATES (Continued)

c. Storm Water Utility

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

13. OTHER POLICIES - TAX INCREMENTAL DISTRICTS

a. Tax Increment District No. 2

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

As of December 31, 2016, the Village has made no amendments to the initial project plan.

b. Tax Increment District No. 3

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

As of December 31, 2016, the Village has made no amendments to the initial project plan.

c. Tax Increment District No. 4

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

As of December 31, 2016, the Village has made no amendments to the initial project plan.

14. INTERMUNICIPAL AGREEMENTS

a. North Shore Fire Department

The Village is a member of the North Shore Fire Department (the Department) along with the Villages of Bayside, Fox Point, River Hills, Whitefish Bay, and the City of Glendale. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the proportion of the previous year's cost allocation formula percentage. The Department is governed by a seven-member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2016, the Village incurred expenditures of \$2.11 million for fire protection and emergency medical services under this agreement. Complete 2016 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

b. Milwaukee Area Domestic Animal Control Commission

The Village is a member of the Milwaukee Area Domestic Animal Control Commission (the Commission) along with 18 other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly-operated animal control services facility for domestic animals. The Commission is governed by a 19 member Board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement.

c. North Shore Health Department

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

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

14. INTERMUNICIPAL AGREEMENTS (Continued)

d. Bayside Communications Center

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

15. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Village recorded a prior period adjustment in the governmental activities portion of its government-wide financial statements in the amount of \$28,279, to correct a prior year entry made to reconcile accounts payable.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 7,119,459	\$ 6,925,859	\$ (193,600)
Intergovernmental revenues	1,283,024	1,205,440	(77,584)
Licenses and permits	430,500	394,555	(35,945)
Fines, forfeitures, and penalties	240,000	442,954	202,954
Public charges for services	11,025	41,092	30,067
Commercial revenues	143,600	186,159	42,559
Total revenues	9,227,608	9,196,059	(31,549)
EXPENDITURES			
Current			
General government	1,326,198	1,269,132	57,066
Public safety	6,196,192	6,252,821	(56,629)
Public works	1,259,484	1,248,551	10,933
Health and human services	139,470	142,142	(2,672)
Culture, recreation, and education	216,264	212,401	3,863
Total expenditures	9,137,608	9,125,047	12,561
EXCESS (DEFICIENCY) OF REVENUES OVER REVENUES	90,000	71,012	(18,988)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	51,848	51,848
Transfers in	-	305,623	305,623
Transfers (out)	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	267,471	357,471
NET CHANGE IN FUND BALANCE	\$ -	338,483	\$ 338,483
FUND BALANCE, JANUARY 1		4,950,601	
FUND BALANCE, DECEMBER 31		\$ 5,289,084	

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2016

Schedule of Funding Progress

Actuarial Valuation Date January 1,	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry-Age	(a) / (b) Funded Ratio	(b) - (a) Unfunded AAL (UAAL)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll ((b) - (a)) / (c)
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 512,028	0.00%	\$ 512,028	\$ 4,744,380	10.79%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	544,555	0.00%	544,555	5,126,000	10.62%

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

Schedule of Employer Contributions

Year Ended December 31,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2011	\$ 12,800	\$ 56,097	22.82%
2012	22,050	57,082	38.63%
2013	44,823	44,878	99.88%
2014	48,275	46,950	102.82%
2015	53,163	49,139	108.19%
2016	39,914	57,482	69.44%

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

**REQUIRED SUPPLEMENTARY INFORMATION
WISCONSIN RETIREMENT SYSTEM**

December 31, 2016*

Proportionate Share of the Net Pension Liability (Asset)

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

Schedule of Contributions

	2015	2016
Contractually required contributions	\$ 398,000	\$ 394,968
Contributions in relation to the contractually required contributions	\$ (398,000)	\$ (394,968)
Contribution deficiency (excess)	\$0	\$0
Village's covered-employee payroll	\$ 4,687,391	\$ 4,851,886
Contributions as a percentage of covered-employee payroll	8.49%	8.14%

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

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

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

1. BUDGETARY INFORMATION

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

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

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

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

Excess of expenditures over appropriations are as follows:

Fund	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Public Safety	\$ 6,196,192	\$ 6,252,821	\$ 56,629
Health and Human Services	139,470	142,142	2,672
Special Revenue Funds			
Library Fund	541,980	568,811	26,831
Debt Service	868,347	1,080,355	212,008
Capital Projects Funds			
Capital Projects Fund	1,699,125	1,946,638	247,513
TIF No. 2	897,031	1,635,010	737,979
TIF No. 3	879,998	1,490,508	610,510
TIF No. 4	643,114	721,387	78,273

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. WISCONSIN RETIREMENT SYSTEM

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

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

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

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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

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

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

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

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	TIF No. 2 Fund			TIF No. 3 Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ 884,264	\$ 928,976	\$ 44,712	\$ 429,976	\$ 352,071	\$ (77,905)
Intergovernmental revenues	1,860	1,742	(118)	2,696	20,291	17,595
Commercial revenues	1,000	63,692	62,692	1,000	563,967	562,967
Total revenues	887,124	994,410	107,286	433,672	936,329	502,657
EXPENDITURES						
Current						
Public safety	-	-	-	-	3,425	(3,425)
Conservation and development	124,631	137,131	(12,500)	567,875	674,960	(107,085)
Capital outlay	5,000	724,147	(719,147)	-	-	-
Debt service						
Principal	600,000	600,000	-	240,000	740,000	(500,000)
Interest and fiscal charges	167,400	173,732	(6,332)	72,123	72,123	-
Total expenditures	897,031	1,635,010	(737,979)	879,998	1,490,508	(610,510)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,907)	(640,600)	(630,693)	(446,326)	(554,179)	(107,853)
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	1,655,000	1,655,000	-	-	-
Proceeds on issuance of long-term debt	-	-	-	-	340,000	340,000
Payment to escrow agent	-	(1,628,987)	(1,628,987)	-	-	-
Total other financing sources (uses)	-	26,013	26,013	-	340,000	340,000
NET CHANGE IN FUND BALANCES	\$ (9,907)	(614,587)	\$ (604,680)	\$ (446,326)	(214,179)	\$ 232,147
FUND BALANCES (DEFICIT), JANUARY 1		812,504			7,365	
Prior period adjustment		-			-	
FUND BALANCES (DEFICIT), JANUARY 1, RESTATED		812,504			7,365	
FUND BALANCES (DEFICIT), DECEMBER 31		\$ 197,917			\$ (206,814)	

TIF No. 4 Fund			Capital Improvements Fund		
Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
\$ 72,367	\$ 52,259	\$ (20,108)	\$ 372,000	\$ 372,000	\$ -
2,929	1,703	(1,226)	-	-	-
1,000	-	(1,000)	-	200	200
76,296	53,962	(22,334)	372,000	372,200	200
-	-	-	218,780	145,244	(73,536)
202,579	280,086	(77,507)	-	-	-
-	763	(763)	1,480,345	1,707,706	227,361
264,706	264,708	(2)	-	80,145	80,145
175,829	175,830	(1)	-	14,360	14,360
643,114	721,387	(78,273)	1,699,125	1,947,455	248,330
(566,818)	(667,425)	(100,607)	(1,327,125)	(1,575,255)	248,530
-	-	-	-	-	-
-	-	-	2,125,000	2,110,000	(15,000)
-	-	-	-	-	-
-	-	-	2,125,000	2,110,000	(15,000)
<u>\$ (566,818)</u>	<u>(667,425)</u>	<u>\$ (100,607)</u>	<u>\$ 797,875</u>	<u>534,745</u>	<u>\$ 248,530</u>
	(1,551,029)			309,122	
	-			(28,279)	
	(1,551,029)			280,843	
	<u>\$ (2,218,454)</u>			<u>\$ 815,588</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

VILLAGE OF BROWN DEER, WISCONSIN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	Special Revenue Funds				
	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling
ASSETS					
Cash and cash equivalents	\$ 216,283	\$ 212,955	\$ 145,943	\$ 4,761	\$ 772,676
Receivables, net					
Taxes					
Tax levy	-	264,348	-	-	226,216
Special assessments on tax roll	37,201	-	-	-	-
Accounts	265	3,118	20,390	15	1,002
Due from other funds	-	-	-	-	-
Due from other governments	-	-	18,384	-	-
TOTAL ASSETS	\$ 253,749	\$ 480,421	\$ 184,717	\$ 4,776	\$ 999,894
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,615	\$ 21,859	\$ 22,089	\$ -	\$ 21,006
Due to other governments	-	-	36	-	-
Unearned revenues	-	-	1,411	-	-
Total liabilities	2,615	21,859	23,536	-	21,006
DEFERRED INFLOWS OF RESOURCES					
Subsequent year tax levy	-	385,346	-	-	329,760
Special assessments	4,968	-	-	-	-
Other deferred inflows	-	-	-	-	-
Total deferred inflows of resources	4,968	385,346	-	-	329,760
FUND BALANCES					
Restricted	-	73,216	-	4,776	-
Committed	246,166	-	161,181	-	649,128
Unassigned	-	-	-	-	-
Total fund balances (deficit)	246,166	73,216	161,181	4,776	649,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 253,749	\$ 480,421	\$ 184,717	\$ 4,776	\$ 999,894

Special Revenue Funds							
Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes	Municipal Court	Policing Services	Debt Service	Total
\$ 124,961	\$ 86,448	\$ 17,626	\$ 1,742	\$ -	\$ 8,859	\$ 362,409	\$ 1,954,663
32,585	-	-	-	-	-	580,739	1,103,888
-	-	-	-	-	-	-	37,201
3,955	-	-	-	-	-	125	28,870
-	-	-	-	2,793	-	-	2,793
-	-	-	-	-	-	-	18,384
\$ 161,501	\$ 86,448	\$ 17,626	\$ 1,742	\$ 2,793	\$ 8,859	\$ 943,273	\$ 3,145,799
\$ 3,689	\$ 198	\$ 105	\$ -	\$ 2,793	\$ -	\$ -	\$ 74,354
-	-	-	-	-	-	-	36
-	-	-	-	-	-	-	1,411
3,689	198	105	-	2,793	-	-	75,801
47,500	-	-	-	-	-	846,558	1,609,164
-	-	-	-	-	-	-	4,968
-	-	-	-	-	9,167	-	9,167
47,500	-	-	-	-	9,167	846,558	1,623,299
-	86,250	17,521	1,742	-	-	96,715	280,220
110,312	-	-	-	-	-	-	1,166,787
-	-	-	-	-	(308)	-	(308)
110,312	86,250	17,521	1,742	-	(308)	96,715	1,446,699
\$ 161,501	\$ 86,448	\$ 17,626	\$ 1,742	\$ 2,793	\$ 8,859	\$ 943,273	\$ 3,145,799

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	Special Revenue Funds				
	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling
REVENUES					
Taxes	\$ -	\$ 385,346	\$ -	\$ -	\$ -
Intergovernmental revenues	-	87,166	220,799	-	41,415
Licenses and permits	-	-	107,103	-	-
Public charges for services	-	36,352	18,903	-	338,344
Public improvement revenues	52,925	-	-	-	-
Intergovernmental charges for services	-	-	456,856	-	-
Commercial revenues	-	49,038	2,512	-	9,983
Total revenues	52,925	557,902	806,173	-	389,742
EXPENDITURES					
Current					
Public safety	-	-	-	2,010	-
Public works	34,355	-	-	-	342,897
Health and human services	-	-	691,972	-	-
Culture, recreation, and education	-	568,811	-	-	-
Capital outlay	-	-	-	-	-
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	34,355	568,811	691,972	2,010	342,897
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,570	(10,909)	114,201	(2,010)	46,845
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of long-term debt	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	18,570	(10,909)	114,201	(2,010)	46,845
FUND BALANCES, JANUARY 1	227,596	84,125	46,980	6,786	602,283
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 246,166	\$ 73,216	\$ 161,181	\$ 4,776	\$ 649,128

Special Revenue Funds							
Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes	Municipal Court	Policing Services	Debt Service	Total
\$ 47,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 868,347	\$ 1,301,193
29,120	-	-	-	-	-	-	378,500
-	-	-	-	-	-	-	107,103
126,042	-	-	-	-	-	-	519,641
-	-	-	-	-	-	-	52,925
-	-	-	-	-	-	-	456,856
20,002	(91)	7,106	10,585	-	109,692	7,299	216,126
222,664	(91)	7,106	10,585	-	109,692	875,646	3,032,344
-	-	-	-	-	110,000	-	112,010
1,804	-	-	-	-	-	-	379,056
-	-	-	-	-	-	-	691,972
232,706	4,016	5,374	11,527	-	-	-	822,434
431	-	-	-	-	-	-	431
-	-	-	-	-	-	894,999	894,999
-	-	-	-	-	-	185,356	185,356
234,941	4,016	5,374	11,527	-	110,000	1,080,355	3,086,258
(12,277)	(4,107)	1,732	(942)	-	(308)	(204,709)	(53,914)
-	-	-	-	-	-	205,000	205,000
-	-	-	-	-	-	84,856	84,856
-	-	-	-	-	-	289,856	289,856
(12,277)	(4,107)	1,732	(942)	-	(308)	85,147	235,942
122,589	90,357	15,789	2,684	-	-	11,568	1,210,757
\$ 110,312	\$ 86,250	\$ 17,521	\$ 1,742	\$ -	\$ (308)	\$ 96,715	\$ 1,446,699

(See independent auditor's report.)

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year Ended December 31, 2016

	Special Assessments Fund			Library Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 385,346	\$ 385,346	\$ -
Intergovernmental revenues	-	-	-	86,734	87,166	432
Licenses and permits	-	-	-	-	-	-
Public charges for services	-	-	-	28,900	36,352	7,452
Public improvement revenues	42,850	52,925	10,075	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-
Commercial revenues	-	-	-	41,000	49,038	8,038
Total revenues	42,850	52,925	10,075	541,980	557,902	15,922
EXPENDITURES						
Current						
Public works	37,100	34,355	2,745	-	-	-
Health and human services	-	-	-	-	-	-
Culture, recreation, and education	-	-	-	541,980	568,811	(26,831)
Capital outlay	-	-	-	-	-	-
Total expenditures	37,100	34,355	2,745	541,980	568,811	(26,831)
NET CHANGE IN FUND BALANCES	<u>\$ 5,750</u>	18,570	<u>\$ 12,820</u>	<u>\$ -</u>	(10,909)	<u>\$ (10,909)</u>
FUND BALANCES, JANUARY 1		<u>227,596</u>			<u>84,125</u>	
FUND BALANCES, DECEMBER 31		<u>\$ 246,166</u>			<u>\$ 73,216</u>	

North Shore Health Department Fund			Recycling Fund			Park and Recreation Program Fund		
Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,500	\$ 47,500	\$ -
149,779	220,799	71,020	30,000	41,415	11,415	25,371	29,120	3,749
98,000	107,103	9,103	-	-	-	-	-	-
15,000	18,903	3,903	332,560	338,344	5,784	129,841	126,042	(3,799)
-	-	-	-	-	-	-	-	-
456,888	456,856	(32)	-	-	-	-	-	-
-	2,512	2,512	17,700	9,983	(7,717)	29,300	20,002	(9,298)
719,667	806,173	86,506	380,260	389,742	9,482	232,012	222,664	(9,348)
-	-	-	352,861	342,897	9,964	-	1,804	(1,804)
719,669	691,972	27,697	-	-	-	-	-	-
-	-	-	-	-	-	243,455	232,706	10,749
-	-	-	-	-	-	1,500	431	1,069
719,669	691,972	27,697	352,861	342,897	9,964	244,955	234,941	10,014
<u>\$ (2)</u>	<u>114,201</u>	<u>\$ 114,203</u>	<u>\$ 27,399</u>	<u>46,845</u>	<u>\$ 19,446</u>	<u>\$ (12,943)</u>	<u>(12,277)</u>	<u>\$ 666</u>
	<u>46,980</u>			<u>602,283</u>			<u>122,589</u>	
	<u>\$ 161,181</u>			<u>\$ 649,128</u>			<u>\$ 110,312</u>	

(See independent auditor's report.)

DEBT SERVICE FUND

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

VILLAGE OF BROWN DEER, WISCONSIN

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

For the Year End December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 868,347	\$ 868,347	\$ -
Commercial revenues	500	7,299	6,799
	<hr/>	<hr/>	<hr/>
Total revenues	868,847	875,646	6,799
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal	694,999	894,999	200,000
Interest and fiscal charges	173,348	185,356	12,008
	<hr/>	<hr/>	<hr/>
Total expenditures	868,347	1,080,355	212,008
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	500	(204,709)	(205,209)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	205,000	205,000
Premium on debt issued	-	84,856	84,856
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	289,856	289,856
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	85,147	<u>\$ 84,647</u>
FUND BALANCE, JANUARY 1		<u>11,568</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 96,715</u>	

(See independent auditor's report.)

AGENCY FUND

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

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

VILLAGE OF BROWN DEER, WISCONSIN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended December 31, 2016

	Balance Beginning	Additions	Deletions	Balance Ending
Property Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 6,445,041	\$ 6,510,380	\$ 6,445,041	\$ 6,510,380
Taxes receivable	14,286,585	13,819,808	14,286,585	13,819,808
TOTAL ASSETS	\$ 20,731,626	\$ 20,330,188	\$ 20,731,626	\$ 20,330,188
LIABILITIES				
Accounts payable and accrued liabilities	\$ 34,839	\$ 29,981	\$ 34,839	\$ 29,981
Due to other taxing units	20,696,787	20,300,207	20,696,787	20,300,207
TOTAL LIABILITIES	\$ 20,731,626	\$ 20,330,188	\$ 20,731,626	\$ 20,330,188

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	77-82
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	83-86
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	87-90
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.	91-92
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.	93-94

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

VILLAGE OF BROWN DEER, WISCONSIN

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012 (2)	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 4,507,883	\$ 6,521,521	\$ 7,896,810	\$ 7,151,972	\$ 7,745,484	\$ 8,555,686	\$ 8,676,378	\$ 8,138,711	\$ 9,697,949	\$ 12,820,500
Restricted	576,532	158,908	139,934	136,004	134,846	171,303	1,806,405	1,905,497	2,098,623	1,573,881
Unrestricted	212,582	(6,454,081)	(8,017,081)	(7,468,247)	(8,571,699)	(8,788,772)	(6,682,496)	(4,977,570)	(3,531,032)	(10,893,760)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,296,997	\$ 226,348	\$ 19,663	\$ (180,271)	\$ (691,369)	\$ (61,783)	\$ 3,800,287	\$ 5,066,638	\$ 8,265,540	\$ 3,500,621
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 10,732,537	\$ 10,817,430	\$ 11,324,970	\$ 12,202,860	\$ 12,438,719	\$ 12,772,500	\$ 12,860,819	\$ 13,703,830	\$ 12,291,770	\$ 12,657,986
Restricted	250,410	256,627	270,574	285,153	306,799	336,488	367,285	-	-	77,706
Unrestricted	1,766,429	2,414,521	2,719,583	2,006,739	2,206,903	2,502,804	2,498,666	2,546,370	3,502,002	3,810,783
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 12,749,376	\$ 13,488,578	\$ 14,315,127	\$ 14,494,752	\$ 14,952,421	\$ 15,611,792	\$ 15,726,770	\$ 16,250,200	\$ 15,793,772	\$ 16,546,475
PRIMARY GOVERNMENT										
Net investment in capital assets (1)	\$ 15,240,420	\$ 17,338,951	\$ 19,221,780	\$ 19,354,832	\$ 19,963,636	\$ 21,114,209	\$ 21,330,016	\$ 21,842,541	\$ 21,989,719	\$ 25,478,486
Restricted	826,942	415,535	410,508	421,157	441,645	507,791	2,173,690	1,905,497	2,098,623	1,651,587
Unrestricted	1,979,011	(4,039,560)	(5,297,498)	(5,461,508)	(6,144,229)	(6,071,991)	(3,976,649)	(2,431,200)	(29,030)	(7,082,977)
TOTAL PRIMARY GOVERNMENT	\$ 18,046,373	\$ 13,714,926	\$ 14,334,790	\$ 14,314,481	\$ 14,261,052	\$ 15,550,009	\$ 19,527,057	\$ 21,316,838	\$ 24,059,312	\$ 20,047,096

(1) The governmental activities net assets invested in capital assets, net of related debt noted above exclude portions of long-term debt that was used to purchase capital assets of the business-type activities. The total government-wide net assets invested in capital assets, net of related debt include this amount as capital related debt.

(2) Net Position restated in 2013 due to GASB 65 reclassifications, an OPEB restatement and a CVMIC restatement.

Data Source

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016
EXPENSES										
Governmental Activities										
General Government	\$ 1,428,147	\$ 1,604,219	\$ 1,399,299	\$ 1,294,235	\$ 1,344,051	\$ 1,273,135	\$ 1,551,039	\$ 1,754,475	\$ 1,627,637	\$ 1,739,455
Public Safety	5,840,005	6,027,981	6,085,914	5,871,990	6,440,420	6,695,189	6,313,518	6,428,471	6,378,649	7,219,626
Public Works	2,515,341	2,725,520	2,637,864	2,396,016	2,738,878	2,787,379	2,903,734	2,797,339	2,202,006	2,666,185
Health and Human Services	588,902	585,576	639,859	567,554	592,289	815,587	823,513	895,149	729,305	916,806
Culture, recreation and education	1,210,538	1,158,463	1,155,647	1,222,130	1,180,413	1,073,182	1,111,854	1,153,251	1,064,661	1,255,017
Conservation and development	252,903	5,188,719	1,153,886	926,179	836,638	272,050	131,899	96,966	3,339,845	3,862,232
Interest and fiscal Charges	788,676	767,327	779,652	898,923	900,832	773,085	752,513	675,456	668,028	695,522
Total government activities expense	12,624,512	18,057,805	13,852,121	13,177,027	14,033,521	13,689,607	13,588,070	13,801,107	16,010,131	18,354,843
BUSINESS-TYPE ACTIVITIES										
Water utility	1,300,484	1,338,455	1,285,391	1,257,481	1,373,831	1,412,419	1,317,513	1,428,306	1,290,611	1,355,672
Storm water utility	559,051	586,526	696,986	516,569	544,299	544,483	580,123	585,368	874,183	970,326
Sewer utility	871,343	1,271,182	1,113,731	1,480,800	1,423,391	1,272,097	1,640,202	1,410,184	1,636,935	1,409,949
Total business-type activities expense	2,730,878	3,196,163	3,096,108	3,254,850	3,341,521	3,228,999	3,537,838	3,423,858	3,801,729	3,735,947
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 15,355,390	\$ 21,253,968	\$ 16,948,229	\$ 16,431,877	\$ 17,375,042	\$ 16,918,606	\$ 17,125,908	\$ 17,224,965	\$ 19,811,860	\$ 22,090,790
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	191,752	170,454	233,401	224,517	235,111	499,387	379,149	370,437	661,685	632,618
Public Safety	435,036	527,206	442,000	387,979	403,111	473,061	415,983	607,527	485,849	575,664
Public Works	226,919	260,905	422,678	341,960	375,275	423,741	374,993	370,938	339,427	345,620
Health and Human Services	237,158	295,159	260,891	263,814	433,146	459,251	588,915	589,352	189,750	194,654
Culture, recreation and education	317,169	314,188	302,632	310,925	306,447	286,574	134,982	140,759	297,546	309,330
Conservation and development	-	59,169	9,500	-	-	-	-	-	7,000	63,325
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	742,801	782,055	753,316	759,543	686,607	864,150	947,594	379,976	1,000,103	1,147,705
Capital grants and contributions	113,339	69,751	1,166,530	39,700	181,220	83,475	1,488,274	363,815	98,920	53,098
Total governmental activities program revenues	2,264,174	2,478,887	3,590,948	2,328,438	2,620,917	3,089,639	4,329,890	2,822,804	3,080,280	3,322,014
Business-Type Activities										
Charges for Services										
Water utility	1,496,524	1,550,763	1,527,206	1,548,514	1,573,212	1,750,070	1,628,368	1,672,947	1,774,802	1,951,332
Storm water utility	761,600	756,703	753,407	756,220	898,483	884,737	1,002,088	914,845	1,008,163	1,152,067
Sewer utility	951,261	1,191,308	1,226,339	1,295,464	1,310,263	1,398,628	1,351,461	1,566,191	1,534,534	1,686,576
Capital grants and contributions	125,041	510,239	579,555	6,840	227,012	91,176	-	30,196	117,307	-
Total business-type activities program revenues	3,334,426	4,009,013	4,086,507	3,607,038	4,008,970	4,124,611	3,981,917	4,184,179	4,434,806	4,789,975
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 5,598,600	\$ 6,487,900	\$ 7,677,455	\$ 5,935,476	\$ 6,629,887	\$ 7,214,250	\$ 8,311,807	\$ 7,006,983	\$ 7,515,086	\$ 8,111,989

VILLAGE OF BROWN DEER, WISCONSIN

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (10,360,338)	\$ (15,578,918)	\$ (10,261,173)	\$ (10,848,589)	\$ (11,412,604)	\$ (10,599,968)	\$ (9,258,180)	\$ (10,978,303)	\$ (12,929,851)	\$ (15,032,829)
Business-Type Activities	603,548	812,850	990,399	352,188	667,449	895,612	444,079	760,321	633,077	1,054,028
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (9,756,790)	\$ (14,766,068)	\$ (9,270,774)	\$ (10,496,401)	\$ (10,745,155)	\$ (9,704,356)	\$ (8,814,101)	\$ (10,217,982)	\$ (12,296,774)	\$ (13,978,801)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Property taxes	\$ 7,678,552	\$ 8,107,615	\$ 8,334,365	\$ 8,764,225	\$ 8,788,024	\$ 9,307,851	\$ 9,127,458	\$ 9,204,538	\$ 9,034,450	\$ 9,301,172
Hotel room taxes	562,272	594,277	433,152	476,934	492,759	504,958	580,404	589,710	613,636	631,186
Intergov't revenues not restr to spec programs	897,517	834,519	809,936	815,719	981,580	900,234	1,445,459	1,518,812	1,540,137	676,860
Investment income	870,154	521,324	173,266	279,908	258,171	187,040	77,035	339,210	78,035	41,633
Miscellaneous	20,314	249,968	83,884	72,142	125,533	48,650	226,206	250,739	1,360,402	706,194
Gain on sale/disposal of capital assets	-	-	-	-	-	-	124,236	53,985	16,482	33,761
Special item-forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers	178,658	200,566	219,885	239,727	255,439	280,821	297,558	287,660	1,761,141	305,623
Total Governmental Activities	10,207,467	10,508,269	10,054,488	10,648,655	10,901,506	11,229,554	11,878,356	12,244,654	14,404,283	11,696,429
Business-Type Activities										
Investment income	167,381	126,918	56,035	67,164	45,659	44,580	28,999	48,019	41,362	6,147
Gain on sale/disposal of capital assets	-	-	-	-	-	-	3,502	2,750	53,301	53,301
Transfers	(178,658)	(200,566)	(219,885)	(239,727)	(255,439)	(280,821)	(297,558)	(287,660)	(1,761,141)	(1,761,141)
Total Business-Type Activities	(11,277)	(73,648)	(163,850)	(172,563)	(209,780)	(236,241)	(265,057)	(236,891)	(1,666,478)	(1,701,693)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 10,196,190	\$ 10,434,621	\$ 9,890,638	\$ 10,476,092	\$ 10,691,726	\$ 10,993,313	\$ 11,613,299	\$ 12,007,763	\$ 12,737,805	\$ 9,994,736
Governmental Activities	\$ (152,871)	\$ (5,070,649)	\$ (206,685)	\$ (199,934)	\$ (511,098)	\$ 629,586	\$ 2,620,176	\$ 1,266,351	\$ 1,474,432	\$ (3,336,400)
Business-Type Activities	592,271	739,202	826,549	179,625	457,669	659,371	179,022	523,430	(1,033,401)	(647,665)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 439,400	\$ (4,331,447)	\$ 619,864	\$ (20,309)	\$ (53,429)	\$ 1,288,957	\$ 2,799,198	\$ 1,789,781	\$ 441,031	\$ (3,984,065)

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

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

[Data Source](#)

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
GENERAL FUND										
Reserved	\$ 174,201	\$ 218,234	\$ 86,310	\$ 499,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	416,993	64,112	1,319,557	1,476,882	1,561,726	2,215,973
Restricted	-	-	-	-	-	-	17,028	17,205	17,205	19,755
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	54,350	17,028	-	-	-	-
Unreserved	2,170,494	2,084,613	2,138,358	2,110,667	-	-	-	-	-	-
Unassigned	-	-	-	-	2,607,990	3,418,220	2,576,744	3,095,207	3,371,670	3,053,356
TOTAL GENERAL FUND	\$ 2,344,695	\$ 2,302,847	\$ 2,224,668	\$ 2,610,515	\$ 3,079,333	\$ 3,499,360	\$ 3,913,329	\$ 4,589,294	\$ 4,950,601	\$ 5,289,084
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 5,825,172	\$ 2,992,495	\$ 2,087,634	\$ 1,553,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	185,000	-	-	32,287	-	-
Restricted	-	-	-	-	5,077,401	5,391,888	3,531,736	3,024,197	2,081,418	478,137
Committed	-	-	-	-	458,644	565,055	726,188	861,443	1,308,570	1,982,374
Assigned	-	-	-	-	477,075	355,050	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	1,664,963	1,360,706	1,487,031	589,556	-	-	-	-	-	-
Capital Projects Funds	2,797,314	(902,435)	(15,661)	5,076,918	-	-	-	-	-	-
Unassigned, reported in										
Special Revenue Funds	-	-	-	-	(631)	(631)	(631)	(632)	-	-
Capital Projects Funds	-	-	-	-	(381,245)	-	(1,170,007)	(1,467,379)	(1,551,029)	(2,425,576)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	10,287,449	3,450,766	3,559,004	7,220,142	5,816,244	6,311,362	3,087,286	2,449,916	1,838,959	34,935
TOTAL FUND BALANCES	\$ 12,632,144	\$ 5,753,613	\$ 5,783,672	\$ 9,830,657	\$ 8,895,577	\$ 9,810,722	\$ 7,000,615	\$ 7,039,210	\$ 6,789,560	\$ 5,324,019

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

Data Source

Audited Financial Statements

VILLAGE OF BROWN DEER, WISCONSIN

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
REVENUES				
Taxes	\$ 8,240,825	\$ 8,701,892	\$ 8,767,517	\$ 9,241,159
Intergovernmental revenues	1,724,335	1,807,380	1,791,978	1,647,442
Licenses and permits	418,859	566,574	497,711	424,692
Fines, forfeits and penalties	190,952	234,898	239,217	252,831
Charges for services	461,167	402,427	598,940	522,458
Public improvement revenues	23,803	35,916	40,832	33,068
Interdepartmental charges for services	132,697	185,704	381,808	721,695
Intergovernmental charges for services	464,793	291,341	303,416	283,829
Commercial revenues	896,673	640,312	309,663	333,581
Total Revenues	12,554,104	12,866,444	12,931,082	13,460,755
EXPENDITURES				
Current				
General Government	1,289,577	1,312,184	1,429,045	1,392,821
Public Safety	5,360,445	5,689,106	5,597,110	5,630,157
Public Works	1,799,267	2,175,827	2,122,608	2,252,669
Health and Human Services	676,855	700,576	736,367	700,503
Culture, recreation and education	975,769	1,005,877	1,022,048	993,127
Conservation and development	75,037	5,250,100	1,185,021	293,124
Capital outlay	1,861,175	1,173,198	715,254	1,777,563
Debt service				
Principal	938,034	2,494,258	668,677	1,162,915
Interest and fiscal Charges	726,209	847,924	748,479	805,618
Total Expenditures	13,702,368	20,649,050	14,224,609	15,008,497
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,148,264)	(7,782,606)	(1,293,527)	(1,547,742)
OTHER FINANCING SOURCES (USES)				
Transfers in	752,206	1,366,041	233,485	1,296,079
Transfers (out)	(573,548)	(1,165,475)	(13,600)	(1,056,352)
Debt				
General obligation debt issued	3,355,000	690,000	1,474,439	5,355,000
Premium on debt issued	6,392	-	5,174	-
Discount on debt issued	-	-	-	-
Refunded general obligation debt	-	-	(375,912)	-
Payment of unfunded pension liability	-	-	-	-
Payment to fiscal agent	-	-	-	-
Sale of Capital Assets	37,050	13,509	-	-
Total Other Financing Sources (Uses)	3,577,100	904,075	1,323,586	5,594,727
NET CHANGE IN FUND BALANCES	\$ 2,428,836	\$ (6,878,531)	\$ 30,059	\$ 4,046,985
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.05%	17.16%	10.49%	14.88%

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

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	9,280,783	\$ 9,812,808	\$ 9,707,862	\$ 9,794,248	\$ 9,648,087	\$ 9,932,358
	1,893,141	1,886,372	1,948,525	2,055,432	2,341,237	1,607,676
	461,043	544,833	548,142	654,800	586,352	501,658
	263,121	250,361	220,057	289,517	390,134	442,954
	511,019	566,363	539,128	531,423	531,368	560,733
	38,684	32,202	1,288,553	36,644	74,336	52,925
	695,883	759,625	769,718	775,389	-	-
	290,537	470,582	462,741	460,779	452,568	456,856
	431,476	351,035	254,153	392,581	2,401,584	1,029,326
	13,865,687	14,674,181	15,738,879	14,990,813	16,425,666	14,584,486
	1,482,937	1,510,800	1,499,031	1,422,910	1,339,605	1,269,132
	5,743,693	5,960,230	6,188,928	6,227,041	6,423,754	6,513,500
	2,311,414	2,039,082	2,001,991	2,033,075	1,677,917	1,627,607
	716,998	998,174	885,485	950,330	759,991	834,114
	1,084,861	979,652	946,877	928,037	994,610	1,034,835
	849,218	707,572	544,860	511,484	3,549,271	1,092,177
	1,684,905	1,597,908	3,612,243	2,980,518	1,233,267	2,433,047
	1,644,786	1,668,039	2,606,762	1,591,879	1,646,060	2,579,852
	1,080,744	926,444	704,866	648,720	671,025	620,584
	16,599,556	16,387,901	18,991,043	17,293,994	18,295,500	18,004,848
	(2,733,869)	(1,713,720)	(3,252,164)	(2,303,181)	(1,869,834)	(3,420,362)
	255,439	312,669	297,558	287,660	306,201	305,623
		(31,848)	-	(90,000)	(90,632)	(90,000)
	1,532,000	6,605,778	-	2,025,000	1,410,000	2,655,000
	4,473	66,063	-	39,117	-	84,856
	-	-	-	-	-	-
	-	-	-	-	-	1,655,000
	-	-	-	-	-	-
	-	(4,323,797)	-	-	-	(1,628,987)
	6,878	-	144,499	79,999	28,786	51,848
	1,798,790	2,628,865	442,057	2,341,776	1,654,355	3,033,340
\$	(935,079)	\$ 915,145	\$ (2,810,107)	\$ 38,595	\$ (215,479)	\$ (387,022)
	18.27%	17.54%	21.53%	15.65%	13.58%	20.55%

VILLAGE OF BROWN DEER, WISCONSIN

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value *	Total Direct Tax Rate	Total Taxable Equalized Value	Ratio of Assessed to Equalized Value
2007	\$ 563,574,400	\$ 272,206,500	\$ 19,361,100	\$ 1,700	\$ 26,144,600	\$ 881,288,300	\$ 8.55	\$ 1,138,992,600	77.37%
2008	709,395,400	343,196,900	26,868,900	2,100	34,830,200	1,114,293,500	6.90	1,144,172,900	97.39%
2009	711,061,000	325,208,900	29,195,400	2,100	35,959,800	1,101,427,200	7.19	1,128,003,400	97.64%
2010	631,732,000	316,076,000	28,707,500	2,000	29,048,500	1,005,566,000	7.99	1,074,804,200	93.56%
2011	632,156,200	314,500,100	28,591,300	2,000	25,822,300	1,001,071,900	8.16	1,038,140,200	96.43%
2012	552,872,916	310,728,300	28,373,100	1,900	25,567,800	917,544,016	8.85	962,776,000	95.30%
2013	550,381,100	308,353,500	29,108,900	1,900	25,815,500	913,660,900	8.95	927,162,600	98.54%
2014	550,668,800	299,329,600	27,661,000	2,000	32,821,500	910,482,900	8.99	942,430,400	96.61%
2015**	532,419,300	306,068,900	27,654,700	1,700	27,888,200	894,032,800	9.27	899,594,200	99.38%
2016	532,629,200	309,139,100	28,672,800	1,700	28,557,000	898,999,800	9.26	912,669,500	98.50%

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

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

Data Source

Wisconsin Department of Revenue

VILLAGE OF BROWN DEER, WISCONSIN

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

Last Ten Fiscal Years

Tax Year	Collection Year	Direct Rates								Overlapping Rates						Net Tax Rate
		Village	Capital Improvement	Equipment Repl	Other Special Revenue Funds	Library	Debt Service	TID Incr	Total Direct	Brown Deer School District	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metro Sewerage District	State of Wisconsin	State Tax Credit	
2007	2008	6.59	0.24	0.32	0.07	0.44	0.89	-	8.55	13.49	2.29	5.03	1.66	0.22	(2.24)	29.00
2008	2009	5.54	0.21	0.09	0.06	0.35	0.65	-	6.90	12.03	1.88	4.07	1.33	0.17	(1.95)	24.43
2009	2010	5.86	0.21	0.09	0.05	0.35	0.64	-	7.19	12.65	1.96	4.25	1.36	0.17	(1.98)	25.60
2010	2011	6.48	0.34	-	0.05	0.38	0.74	-	7.99	13.65	2.05	4.75	1.54	0.18	(2.18)	27.98
2011	2012	6.55	0.35	-	0.05	0.38	0.83	-	8.16	13.95	2.02	4.89	1.57	0.18	(2.19)	28.58
2012	2013	7.08	0.39	-	0.05	0.42	0.91	-	8.85	15.16	2.22	5.29	1.71	0.18	(2.34)	31.07
2013	2014	7.18	0.41	-	0.05	0.42	0.89	-	8.95	15.28	2.16	5.21	1.73	0.17	(2.32)	31.18
2014	2015	7.21	0.41	-	0.05	0.42	0.89	-	8.98	15.28	1.31	5.28	1.77	0.18	(2.33)	30.47
2015	2016	7.23	0.44	-	0.06	0.45	1.09	-	9.27	15.76	1.26	5.13	1.74	0.17	(2.68)	30.65
2016	2017	7.20	0.46	-	0.06	0.48	1.06	-	9.26	15.17	1.27	5.16	1.77	0.17	(2.66)	30.14

Data Source

Village of Brown Deer Adopted Budget

VILLAGE OF BROWN DEER, WISCONSIN

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Type of Business	2016			2007		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brown Deer Center LLC	Property Mgmt	\$ 20,032,900	1	2.23%	\$ 13,839,400	4	1.57%
Del Norte Plaza, LLC	Property Mgmt	15,266,800	2	1.70%			
Burnham 4401 LTD	Property Mgmt	15,196,000	3	1.69%			
Brown Deer Market WI LLC	Property Mgmt	13,897,500	4	1.55%	21,831,200	1	2.48%
FIS (Fidelity Information Systems)	Data Processing	12,400,000	5	1.38%	20,803,461	2	2.36%
Walmart	Retail	11,985,000	6	1.33%	-		
North Pointe Apartments Ltd.	Property Mgmt	11,528,000	7	1.28%	11,480,800	5	1.30%
Milwaukee Riverplace LLC	Property Mgmt	10,500,000	8	1.17%	10,475,810	7	1.19%
Community Television (WITI TV 6)	Television Station	8,306,200	9	0.92%	11,186,771	6	1.27%
Park Plaza Apartments	Property Mgmt	7,980,000	10	0.89%	-		
Brook Lane Apartments	Property Mgmt	-			8,993,497	10	1.02%
Mutual Savings Bank	Financial Institution				9,385,032	9	1.06%
Deer Run Apartments	Property Mgmt				14,254,886	3	1.62%
Brown Deer Business Park-WI TWO, LLC	Property Mgmt				9,950,900	8	1.13%
Total		\$ 76,596,700		14.14%	\$ 118,362,357		15.00%

Based on total Assessed Value

2006 \$ 881,288,300

2016 898,999,800

Data Sources

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

VILLAGE OF BROWN DEER, WISCONSIN

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Levy Year	Collection Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2008	\$ 8,107,614	\$ 8,083,546	99.70%	\$ 16,979	\$ 8,100,526	99.91%
2008	2009	8,325,311	8,312,151	99.84%	9,743	8,321,895	99.96%
2009	2010	8,764,224	8,746,849	99.80%	12,845	8,759,694	99.95%
2010	2011	8,788,023	8,779,240	99.90%	6,240	8,785,480	99.97%
2011	2012	9,305,950	9,301,960	99.96%	2,931	9,304,891	99.99%
2012	2013	9,102,050	9,099,106	99.97%	1,803	9,100,909	99.99%
2013	2014	9,201,537	9,042,583	98.27%	1,803	9,044,386	98.29%
2014	2015	9,032,950	8,884,494	98.36%	1,537	8,886,031	98.37%
2015	2016	9,301,172	9,198,977	98.90%	5,554	9,204,531	98.96%
2016	2017	9,299,564	*	0.00%	*	*	0.00%

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

Data Source

Village records

VILLAGE OF BROWN DEER, WISCONSIN

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

Fiscal Year	Total General Bonded Debt	Reserved Funds for Debt Service	Net General Bonded Debt	Total Taxable Equalized Value	Ratio of General Bonded Debt to Equalized Property Value	Population	Net General Bonded Debt Per Capita
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
2015	23,545,164	11,568	23,533,596	942,430,400	2.50%	12,217	1,926.30
2016	24,479,182	96,715	24,382,467	899,594,200	2.71%	12,102	2,014.75

VILLAGE OF BROWN DEER, WISCONSIN

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

Fiscal Year	Governmental Activities			Business Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Anticipation Notes	Notes Payable to Other Municipalities	Tax Increment Project Revenue Bonds Payable	General Obligation Bonds/Notes			
2007	\$ 13,607,358	\$ 1,675,000	\$ 1,117,578	\$ -	\$ 4,537,922	\$ 20,937,858	1.69%	1,787.27
2008	13,532,421	-	1,063,257	-	5,283,522	19,879,200	2.03%	1,698.35
2009	14,021,655	-	1,007,155	-	4,854,884	19,883,694	1.96%	1,696.56
2010	18,272,424	-	983,202	-	4,369,405	23,625,031	1.77%	2,020.96
2011	18,228,206	-	914,633	-	4,665,146	23,807,985	2.06%	1,984.16
2012	19,571,639	-	862,093	-	4,920,223	25,353,955	2.39%	2,101.45
2013	17,039,677	-	787,293	-	4,313,080	22,140,050	2.02%	1,831.88
2014	17,551,163	-	708,928	-	6,046,685	24,306,776	2.89%	2,008.49
2015	18,024,031	-	629,673	-	5,521,133	24,174,837	2.55%	1,978.79
2016	18,144,655	-	549,527	-	5,785,000	24,479,182	*	2,022.74

*Data for 2016 Personal Income is not yet available.

Data Source

Wisconsin Departments of Revenue and Administration

VILLAGE OF BROWN DEER, WISCONSIN

SCHEDULE OF LEGAL DEBT MARGIN

Last Ten Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized value of real and personal property	\$ 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	\$ 942,430,400	\$ 899,594,200
General Obligation Debt Limit 5% of equalized valuation per Section 67.03 of the Wisconsin Statutes	56,949,630	57,208,645	56,400,170	53,740,210	51,907,010	48,138,800	46,358,130	47,121,520	47,121,520	44,979,710
Amount of debt applicable to debt limitation										
General obligation bonds/notes	19,820,280	18,815,943	18,876,538	22,641,828	23,807,985	24,758,575	22,140,050	24,407,619	23,545,164	24,479,182
Less amount available for financing GO debt	36,320	21,793	30,797	17,009	21,766	104,491	58,465	59,182	11,568	96,715
Net O/S GO Debt Applicable to Debt Limitation	19,783,960	18,794,150	18,845,741	22,624,819	23,786,219	24,654,084	22,081,585	24,348,437	23,533,596	24,382,467
LEGAL MARGIN FOR NEW DEBT	37,165,670	38,414,495	37,554,429	31,115,391	28,120,791	23,484,716	24,276,545	22,773,083	23,587,924	20,597,243
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	34.74%	32.85%	33.41%	42.10%	45.82%	51.21%	47.63%	51.67%	49.94%	54.21%

Data Source

Village records

VILLAGE OF BROWN DEER, WISCONSIN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2016

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
Village	\$ 23,545,000	100%	\$ 23,545,000
Milwaukee Area Technical College	108,945,000	1.34%	1,459,863
Milwaukee County	648,079,858	1.65%	10,693,318
Brown Deer School District	26,276,000	100%	26,276,000
Milwaukee Metropolitan Sewage District	862,861,380	1.68%	14,496,071
Total Overlapping	<u>1,646,162,238</u>		<u>52,925,252</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 1,669,707,238</u></u>		<u><u>\$ 76,470,252</u></u>

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

Data Source

Prior year's Village Bond Issuance

VILLAGE OF BROWN DEER, WISCONSIN

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Year	Population	Adjusted Gross Income	Adjusted Gross Income per Return			Annual Average Unemployment Rates	
			Village of Brown Deer	Milwaukee County	State of Wisconsin	Milwaukee County	State of Wisconsin
2007	11,715	\$ 269,124,482	\$ 48,049	\$ 43,390	\$48,985	5.90%	4.90%
2008	11,705	260,643,494	47,227	43,557	47,046	6.50%	5.80%
2009	11,720	247,895,969	45,670	41,704	45,370	9.30%	8.50%
2010	11,690	246,836,267	46,485	41,932	46,958	10.00%	8.70%
2011	11,999	226,111,060	46,320	42,830	47,640	9.30%	7.80%
2012	12,065	205,897,980	45,630	44,460	49,900	8.60%	7.00%
2013	12,090	213,382,780	46,510	45,620	50,670	8.40%	6.70%
2014	12,160	209,394,290	47,480	45,980	52,050	6.90%	5.40%
2015	12,217	216,378,266	47,935	48,533	54,227	5.80%	4.60%
2016	12,102	*	*	*	*	5.00%	4.00%

*Data not yet available for 2016

Data Sources

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

VILLAGE OF BROWN DEER, WISCONSIN

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Type of Business	2015**			2007		
		Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
FIS (Fidelity Information Systems)	Data Processing	2,700	1	0.61%	1,125	1	0.25%
Signicast	Manufacturer of Ferrous investment castings	685	2	0.15%	-		
Badger Meter	Water meter manufacturing	498	3	0.11%	485	3	0.11%
M&I Support Services Corp *	Commercial banking			0.00%	375	4	0.08%
MILSCO Manufacturing	Manufacturer of office chairs	194	4	0.04%	-		
Guaranty Bank *	Savings institutions	491	5	0.11%	580	2	0.13%
YMCA (Young Men's Christian Association) *	Civil and social organizations	340	6	0.08%	175	6	0.04%
Rite Hite Corporation (Hdqtrs)	Manufacturers of mechanical and hydraulic lift	514	7	0.12%	-		
Brown Deer Public Schools	Elementary and secondary schools	222	8	0.05%			
New World Communications/TV 6	Television broadcasting	210	9	0.05%	210	5	0.05%
U Line Corp *	Household refrigerator manufacturing	76	10	0.02%	175	7	0.04%
Sheraton Milwaukee North *	Hotel	-		0.00%	175	9	0.04%
Pick 'n Save *	Supermarkets	-		0.00%	175	8	0.04%
GB Home Equity *	Sales financing	-		0.00%	175	10	0.04%
Total		5,930		1.33%	3,650		0.81%

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

**2016 information not available as in prior CAFR's, we did not include this data.

Data Source

Wisconsin Department of Workforce Development

VILLAGE OF BROWN DEER, WISCONSIN

VARIOUS STATISTICS

Last Ten Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village Employees										
General Government										
Village Manager	3	3	3	3	3	2	3	3	3	3
Administration	5	4	5	5	5	5	4	4	4	4
Court	2	1	2	2	2	1	2	2	2	2
Health	8	7	7	7	6	8	8	8	8	8
Library	16	17	18	16	13	14	14	16	9	7
Parks and recreation	4	4	3	3	2	3	3	3	3	3
Water utility	3	3	3	3	3	2	2	2	2	2
Public works	13	13	12	12	11	10	12	12	13	12
Public safety										
Police	38	35	37	36	33	34	33	35	35	35
Community services										
Engineering	3	3	3	3	2	2	2	2	2	2
Inspection/maintenance	3	3	3	3	2	2	2	2	3	3
Total Village Employees	98	93	96	93	82	83	85	89	84	81
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	6	6	6	6	6	6	6	6	6
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Parks and Recreation										
Number of parks	3	3	3	3	3	3	3	3	3	3
Acreage of parkland	17	17	17	17	17	17	17	17	17	17
Water Utility										
Miles of water main	68	68	68	68	68	68	68	68	68	68
Number of hydrants	665	669	671	671	671	672	672	672	676	676
Daily average consumption (gallons)	1,246,918	1,365,178	1,297,893	1,260,553	1,369,148	1,442,126	1,119,688	1,250,000	1,500,000	1,177,260
Wastewater Utility										
Miles of sanitary sewer	51	51	51	51	51	53	53	53	53	53
Miles of storm sewer	10	10	10	10	10	16	17	17	17	17

Data Source

Various Village departments

VILLAGE OF BROWN DEER, WISCONSIN

OPERATING INDICATORS

Ten Year Trend

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Calls for service	**	**	**	**	**	**	15,086	13,250	13,515	14,254
Cases generated	*	*	*	*	*	*	*	*	1,760	1,935
Parking citations	1,441	1,158	886	1,268	800	1,076	1,112	841	1,094	1,388
Enforcement actions										
Traffic related	4,525	3,573	4,767	3,719	4,361	3,566	4,094	3,075	4,336	4,248
Ordinance	*	*	*	*	*	*	*	*	805	728
Custodial arrest	*	*	*	*	*	*	*	*	723	924
Physical arrests	984	850	922	884	950	684	598	738	*	*
Complaints	1,649	1,536	1,486	1,407	1,503	1,537	1,521	1,752	*	*
Prisoner handling	369	282	323	224	310	304	242	*	*	*
General Government										
Building permits issued	293	309	328	209	206	170	242	257	258	257
Library										
Registered users	7,559	6,833	7,370	7,714	8,011	8,322	8,634	8,950	9,212	6,997
Circulation transactions	240,995	250,126	247,649	241,399	222,383	218,980	198,645	195,278	184,827	174,470
Park and Recreation										
Recreation programs	86	122	112	101	100	95	90	95	98	75
Recreation program registration	2,513	2,933	2,686	2,421	3,003	2,577	1,935	1,959	2,256	2,226
Pond attendance	8,018	7,238	7,048	9,391	9,215	10,375	6,115	4,862	5,855	6,453
Water Utility										
Number of customers	3,795	3,789	3,817	3,825	3,829	3,736	3,739	3,735	3,731	3,743
Gallons sold (millions)	455,125	455,405	428,322	425,090	427,673	469,538	408,686	411,828	410,770	429,700
Public fire protection service customers	3,531	3,544	3,562	3,571	3,575	3,579	3,580	3,586	3,585	3,592
Private fire protection service customers	**	**	**	**	**	**	**	**	**	128
Northshore Health Department										
Blood pressure screenings	467	357	195	123	132	267	65	73	206	254
Immunizations	569	819	623	598	682	772	883	658	761	604
Restaurant inspections (BD only)	109	81	87	78	80	130	116	154	147	106

* Prisoner Handling is no longer tracked

** Not Previously Reported

Data Source

Various Village departments