

VILLAGE OF **BROWN DEER**



**Milwaukee County, Wisconsin
Comprehensive Annual Financial Report
As of and For the Year Ended
December 31, 2018**

VILLAGE OF BROWN DEER, WISCONSIN

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2018

**Prepared by
The Office of the Treasurer/Comptroller**

**Treasurer/Comptroller
Village Manager**

**Susan Hudson
Michael Hall**

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INTRODUCTORY SECTION

**VILLAGE OF BROWN DEER, WISCONSIN
DIRECTORY OF OFFICIALS
DECEMBER 31, 2018**

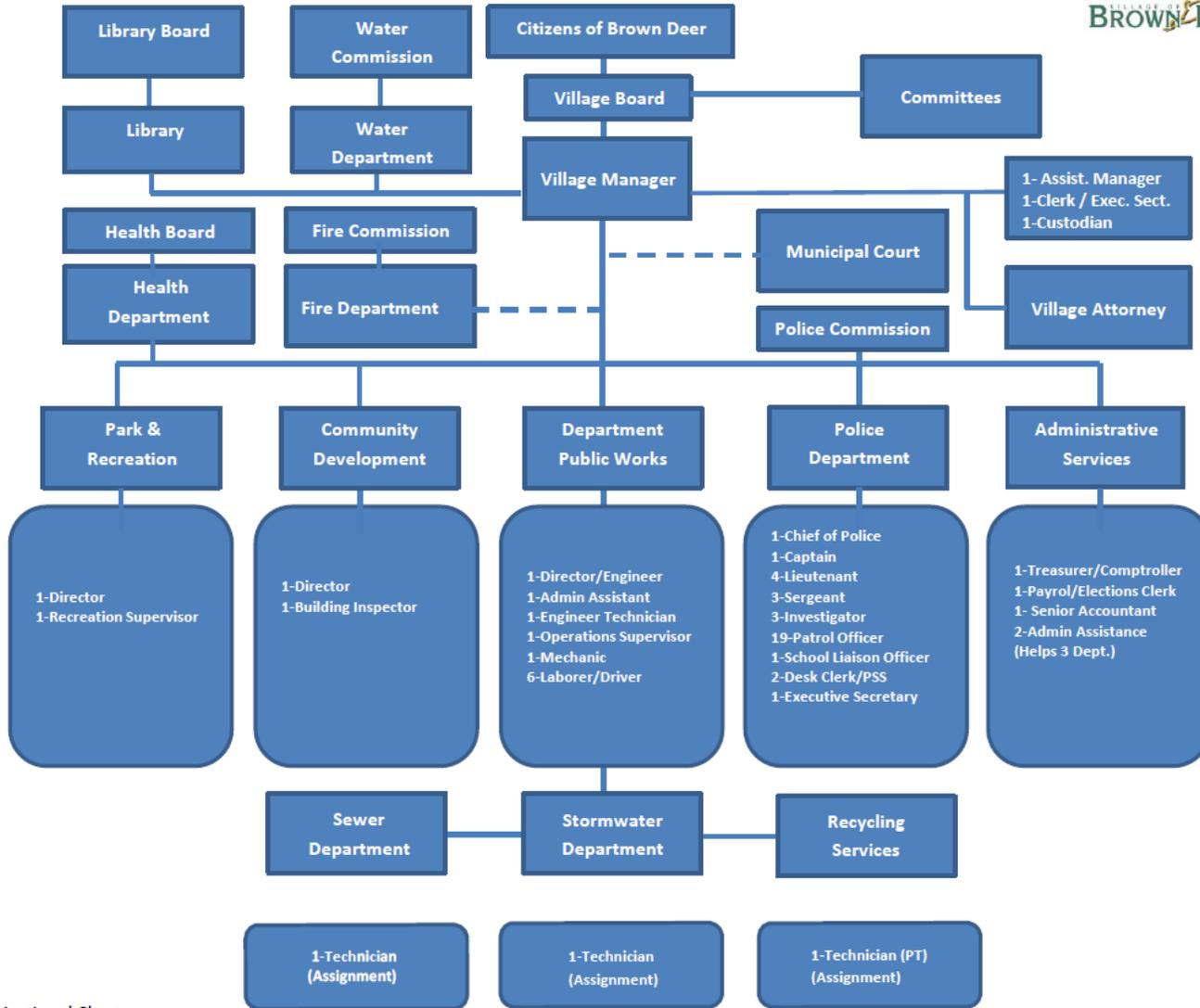
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term</u>
Carl F. Krueger	Village President	April 2019
Jeff Baker	Village Trustee	April 2019
Julie Quirk	Village Trustee	April 2020
Wanda Montgomery	Village Trustee	April 2021
Timothy D. Schilz	Village Trustee	April 2021
Gary R. Springman	Village Trustee	April 2019
Courtney Wedward	Village Trustee	April 2020
Christopher R. Lipscomb	Municipal Judge	April 2021

Administrators

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

**VILLAGE OF BROWN DEER, WISCONSIN
ORGANIZATIONAL CHART
DECEMBER 31, 2018**



2018 Organizational 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, 2017

Christopher P. Morill

Executive Director/CEO



September 25, 2019

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, 2018, 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 CliftonLarsonAllen, LLP, a firm of certified public accountants and consultants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Brown Deer for the fiscal year ended December 31, 2018, 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, 2018, 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 approximates 12,340.

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 2018, Milwaukee County had an unemployment rate of 3.4% compared to the State of Wisconsin at 3.0%. The new 2010 census data adjusted the Village's population to 11,999 and showed an adjusted gross income per return for the Village in 2017 of \$48,114.

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 2018 increment in each TID and the increase or decrease from 2017.

Tax Incremental Financing District #2, formed in 1995, generated a value of \$36,306,200 in 2018, a decrease of \$2,040,600 from the 2017 value. On the West side of Sherman Boulevard 2 acres were used for a building called Bradley Crossing which houses 60 apartments, Jewish Family Services (JFS) offices and the Lois & Tom Dolan Community Center, which the Village operates. Four additional acres of adjacent land were purchased by JFS in 2013. JFS has constructed 54 new units in 4 separate buildings on the land. On the East side of Sherman Boulevard, the Village approved a final plan with JFS for Deerwood Crossing, Phase II, which added an additional 30 units to the existing 60 units already constructed in Phase I. Construction on Phase II was completed in 2014. In early 2015 TID #2 boundaries were expanded to include three parcels of land along 47th Street south of Bradley Road including the former Algonquin School property. The parcels were actively marketed for redevelopment but in two years there was limited interest. The Village also acquired the former Lighthouse of Brown Deer at 7909-11 N. 47th to promote this redevelopment and help facilitate Lighthouse's growth in TID #3 (60th and Brown Deer road). With the lack of development interest, the Village identified a buyer in late 2017 and sold the property for use once again as an assisted living facility

The Tax Incremental Financing District #3, formed in 2005, generated a value of \$60,607,800 in 2018, a decrease of \$13,391,800 from the 2017 value. The District includes property along the West Brown Deer Road corridor, bounded by: N. 55th Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and the Village's municipal boundaries at 68th Street to the west. In 2014 the Beaver Creek Condo project was sold to New Perspectives Senior Living who received approval to build a 133-bed senior living and memory care apartment facility on the remaining undeveloped land of the halted condominium development. The plan included utilizing the 10 existing townhome condos as part of the senior development. The project began in 2015 and was completed by mid-2016. The Village also purchased the former American TV property in March of 2015 for \$2.60 million. Sale agreements with two entities (PAK Technologies and ALDI) totaling \$2.65 million were approved in July 2015. PAK (calling their redevelopment "American Distribution") reopened the former retail building in Fall of 2015 and ALDI built a new store on the southeast corner of the site which opened in late 2016. Along with these two projects a regional Village owned storm-water management facility was created on a second out-lot in the southwest corner of the site.

The Tax Incremental Financing District #4, formed in 2005, generated a value of \$20,759,800 in 2018, an increase of \$1,583,100 from 2017 value. The District includes property within the Original Village Planned Development District and the North Teutonia Avenue corridor. The Original Village reconstruction began in 2013 and was completed in 2014. In 2016 the Village purchased the former Bella landscape business at 8655 N. 43rd Street and subsequent sold it to CJB LLC. for renovation as an office and personal training studio. Solful Fitness now occupied 50% of the space. Future projects within TID #4 may include the redevelopment of the vacant Shoreland Church property and the relocation and redevelopment of the Brown Deer Public works yard.

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

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

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

FINANCIAL POLICIES

In 2011, Finance & Public Works Committee and the Village Board reviewed and amended all financial and budget related policies that are in place to ensure compliance and control within the Village's finances. The policies in place include: a general operations policy, purchasing policy, Village issued purchasing card policy,

investment policy, fund balance policy, debt management policy, capitalized fixed assets policy, budget development policy, revenue policy, operating budgets, capital improvement plan process and policy and capital improvement budget policy.

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

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

Per the Debt Management policy, when issuing debt, the Village has agreed to confine long-term borrowing to capital improvements, equipment or other long-term projects which cannot, and appropriately should not, be financed from current revenues. The Village will also not use long-term debt to finance current operations or short-lived (less than 5 years) depreciable assets. The Village has committed to always issuing debt through a competitive bidding process and to utilize the services of a financial advisor. The Village has also agreed to be in compliance with Section 67.03 of Wisconsin

Statutes requiring that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. The Village has moved one step further in stating that the total annual debt service for general obligation debt will not exceed 20% of the Village's total tax levy with an effort to maintain the levy at a proportionate even level for tax rate stabilization, the Village is currently at 17.3%.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Brown Deer for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the nineteenth (19th) year that the Village of Brown Deer has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report. 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,

A handwritten signature in blue ink, appearing to read "Michael L. Hall".

Michael L Hall
Village Manager

A handwritten signature in blue ink, appearing to read "Susan L. Hudson".

Susan L Hudson
Treasurer/Comptroller

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin, (the Village) as of and for the year ended December 31, 2018, and the related notes to the 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 16 to the financial statements, in 2018, the Village of Brown Deer, Wisconsin, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation, the Village of Brown Deer, Wisconsin reported a restatement for the change in accounting principle. 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, budgetary comparison information, information on pension benefits, and information on the other postemployment benefits as 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.

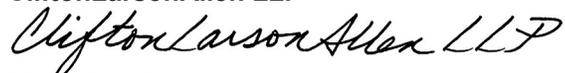
Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

CliftonLarsonAllen LLP



Milwaukee, Wisconsin
September 20, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2018

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, 2018. 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 4-8 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, 2018, by \$23,005,824 (*net position*). The Village reported deficit unrestricted governmental activities net position of (\$5,634,207) and unrestricted business-type activities net position of \$4,736,579. During the current year, the Village's net position increased by \$1,997,168, inclusive of a restatement of \$643,511 for the implementation of GASB Statement No. 75.
- As of December 31, 2018, the Village of Brown Deer's governmental funds reported combined ending fund balances of \$6,852,829, an increase of \$3,479,726 in comparison with the prior year. At the end of 2018, there is \$2,126,397 *available for spending* at the government's discretion (*unassigned fund balance*).
- As of December 31, 2018, the unassigned fund balance for the general fund was \$2,126,397 or 22.19% of total general fund expenditures.
- The Village of Brown Deer's total general obligation debt increased by \$11,510,000 during 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Brown Deer's finances, in a manner similar to a private-sector business and are presented in two statements, the Statement of Net Position and the Statement of Activities, which can be found on pages 26-28 of this report.

Both government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Brown Deer include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the Village of Brown Deer include the water utility, storm water utility and the sanitary sewer utility.

STATEMENT OF NET POSITION

The *statement of net position* presents information on all of the Village of Brown Deer's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 22,019,036	\$ 22,347,069	\$ 5,552,697	\$ 7,307,614	\$ 27,571,733	\$ 29,654,683
Capital assets	27,617,885	18,105,876	18,667,746	17,227,422	46,285,631	35,333,298
Total assets	49,636,921	40,452,945	24,220,443	24,535,036	73,857,364	64,987,981
Deferred outflows of resources	2,619,603	2,868,421	97,152	90,097	2,716,755	2,958,518
Long-term debt outstanding	27,463,462	19,435,500	5,653,477	5,418,042	33,116,939	24,853,542
Other liabilities	5,898,168	9,015,248	1,480,670	2,510,611	7,378,838	11,525,859
Total liabilities	33,361,630	28,450,748	7,134,147	7,928,653	40,495,777	36,379,401
Deferred inflows of resources	12,967,214	10,666,865	105,304	109,915	13,072,518	10,776,780
Net position:						
Net investment in capital assets	9,493,534	13,284,814	12,288,276	12,744,668	21,781,810	26,029,482
Restricted	2,068,353	900,011	53,289	-	2,121,642	900,011
Unrestricted (deficit)	(5,634,207)	(9,981,071)	4,736,579	4,060,234	(897,628)	(5,920,837)
Total net position	\$ 5,927,680	\$ 4,203,754	\$ 17,078,144	\$ 16,804,902	\$ 23,005,824	\$ 21,008,656

Governmental Activities

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Current and other assets for governmental activities primarily represent cash, investments, and taxes receivable. Current and other assets decreased in 2018 by \$328,033, this is due to unspent bond proceeds being expended in the construction of the new DPW Facility.

Long-term debt outstanding increased in 2018 by \$8,027,962, this is due to refunding of the notes payable issued for the new Public Works Building to General Obligation Bonds. Other liabilities represent accounts payable, accrued payroll liabilities, deposits and unearned revenues. There was a decrease of \$3,117,080 to other liabilities due to the refunding of notes payable issued for the new Public Works building to General Obligation Bonds offset by an increase in accounts payable.

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, 2018, none of the Village's restricted Net Position was restricted for TIF district development.

The remaining balance of unrestricted net position may be used to meet ongoing obligations to citizens and creditors. The increase in unrestricted net position of \$4,346,864. When unrestricted resources are substrate, 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 primarily of cash, investments and receivables. Current and Other Assets decreased by \$1,754,917 in the current year. This decrease was due to decrease in cash on hand and unspent bond proceeds. The total capital assets in 2018 increased by \$1,440,324 due to construction in process.

Long-term debt outstanding increased in 2018 by \$235,435, this is due to refunding of the notes payable issued for the new Public Works Building to General Obligation Bonds. Other Liabilities for Governmental and Business-type Activities include accounts payable and accrued expenses, accrued interest payable, and special deposits. Other Liabilities decreased by \$1,029,941, due to the refunding of notes payable issued for the new Public Works Building to General Obligation Bonds.

STATEMENT OF ACTIVITIES

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

The table below summarizes the statement of activities for 2017 and 2018. Explanations for significant increases or decreases are given following the table.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for Services	\$ 2,984,905	\$ 2,044,041	\$ 4,586,413	\$ 4,852,917	\$ 7,571,318	\$ 6,896,958
Operating grants and contributions	914,720	1,114,547	-	-	914,720	1,114,547
Capital grants and contributions	1,559,613	83,950	7,000	-	1,566,613	83,950
General revenues:						
Property taxes	9,377,121	9,299,564	-	-	9,377,121	9,299,564
Other taxes	610,576	668,949	-	-	610,576	668,949
Other general revenues	1,633,944	1,594,219	129,630	51,325	1,763,574	1,645,544
Total revenues	<u>17,080,879</u>	<u>14,805,270</u>	<u>4,723,043</u>	<u>4,904,242</u>	<u>21,803,922</u>	<u>19,709,512</u>
Expenses						
General government	1,660,207	1,819,991	-	-	1,660,207	1,819,991
Public Safety	7,111,839	6,745,102	-	-	7,111,839	6,745,102
Public Works	3,051,262	2,554,014	-	-	3,051,262	2,554,014
Health and Human Services	928,197	858,439	-	-	928,197	858,439
Culture, recreation and education	1,219,502	1,184,464	-	-	1,219,502	1,184,464
Conservation and development	79,864	676,192	-	-	79,864	676,192
Interest and fiscal charges	1,070,562	548,684	-	-	1,070,562	548,684
Water	-	-	1,543,685	1,560,139	1,543,685	1,560,139
Storm Water	-	-	1,118,003	1,039,349	1,118,003	1,039,349
Sanitary Sewer	-	-	1,380,122	1,760,761	1,380,122	1,760,761
Total expenses	<u>15,121,433</u>	<u>14,386,886</u>	<u>4,041,810</u>	<u>4,360,249</u>	<u>19,163,243</u>	<u>18,747,135</u>
Increase (decrease) in net position before transfers	1,959,446	418,384	681,233	543,993	2,640,679	962,377
Transfers	407,991	285,566	(407,991)	(285,566)	-	-
Changes in net position	<u>2,367,437</u>	<u>703,950</u>	<u>273,242</u>	<u>258,427</u>	<u>2,640,679</u>	<u>962,377</u>
Net position - Beginning of year	4,203,754	3,499,804	16,804,902	16,546,475	21,008,656	20,046,279
Prior Period Adjustment	(643,511)	-	-	-	(643,511)	-
Net position - End of year	<u>\$ 5,927,680</u>	<u>\$ 4,203,754</u>	<u>\$ 17,078,144</u>	<u>\$ 16,804,902</u>	<u>\$ 23,005,824</u>	<u>\$ 21,008,656</u>

Significant Changes in Governmental Activities

Governmental activities increased the Village of Brown Deer's net position by \$1,723,926, while the Business-type activities also increased its net position by \$273,222. The change in net position for governmental activities increased from 2017 to 2018 due mainly to increases in charges for services and capital grants and contributions revenue. The change in net position for Business-type activities increased from 2017 to 2018 primarily due to the decrease in expenses in sanitary sewer. Other individual increases/decreases to revenues and expenses are described below.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Governmental Activities - Revenues

Program revenues are those revenues that can be directly related to an activity, whereas general revenues represent revenues that are not directly related to one specific function. Charges for services are primarily made up of licenses, permits, public charges for services such as library, recycling and park and recreation fees, and intergovernmental charges for services such as library system fees, and health department charges. Operating grants are mainly from state resources received for highway maintenance and recycling programs. Capital grants fluctuate annually and are received to assist the Village in the acquisition of capital assets. The table below compares Governmental activities revenues for 2017 and 2018.

	Governmental Activities			
	2018	2017	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 2,984,905	\$ 2,044,041	\$ 940,864	46.03%
Operating grants and contributions	914,720	1,114,547	(199,827)	-17.93%
Capital grants and contributions	1,559,613	83,950	1,475,663	1757.79%
General revenues:				
Property taxes	9,377,121	9,299,564	77,557	0.83%
Other taxes	610,576	668,949	(58,373)	-8.73%
Other general revenues	1,633,944	1,594,219	39,725	2.49%
Total revenues	<u>\$ 17,080,879</u>	<u>\$ 14,805,270</u>	<u>\$ 2,275,609</u>	<u>15.37%</u>

Charge for services increased by \$940,864 in 2018, mostly due to increase in court fines and penalties; building, electrical, heating and A/C permits; and parking tickets.

Operating grants and contributions decreased from 2017 to 2018 by \$199,827. The decrease is primarily due to Health Department grant decreases for MCH-Maternal/Child Health, Immunization, Prevention, and Public Health Preparedness.

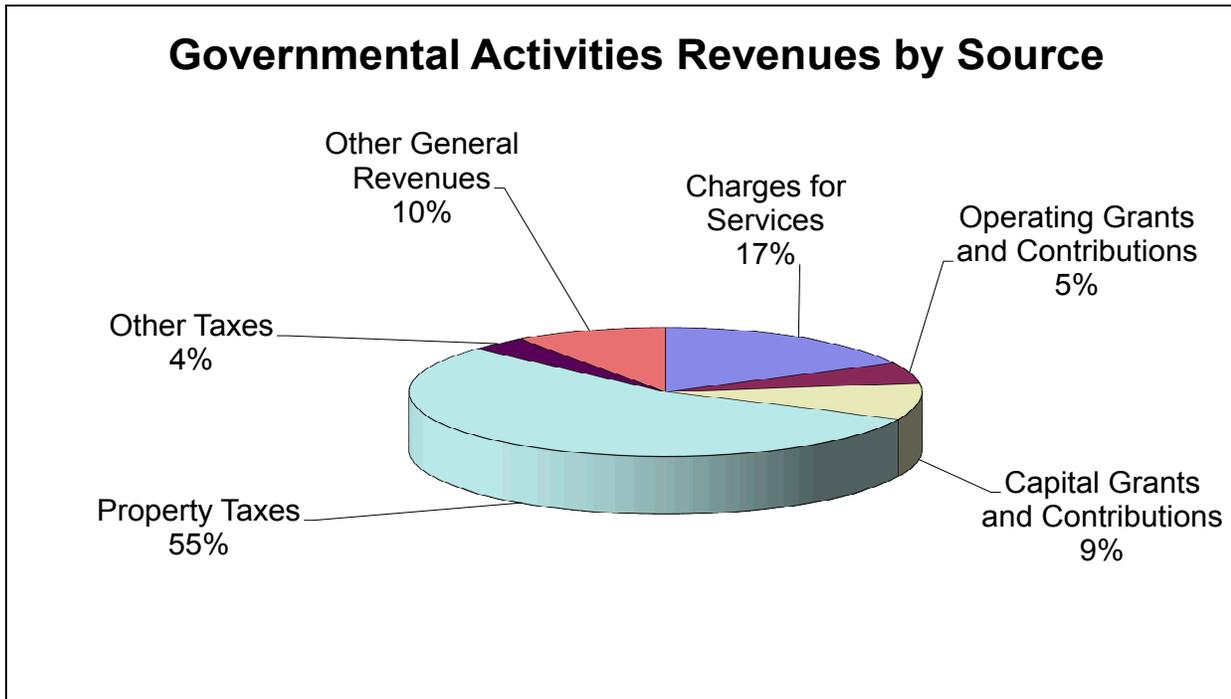
Capital grants and contributions increased by \$1,475,663 from 2017. The increase was due to the Village purchasing the old West Bury Bank building for \$1.50 million and the owner making a donation of \$1.50 million for a new Library building.

Other taxes decreased by \$58,373 due to the fact Hotel Tax has to donate a percentage of their sales to the Tourism Commission Fund per the state statutes.

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.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

As identified above and on the chart below, property taxes are the largest revenue source for the Village's Governmental Activities category accounting for 55% of total revenues. Like most Wisconsin municipalities, the Village does not charge a local sales or income tax. The percentage composition of revenues has remained stable for the last several years.



Governmental Activities - Expenses

Governmental Activities expenses are broken down into various functions. General Government includes administrative type costs such as Village government and financial management as well as some Village-wide shared costs such as information technology and insurance. Costs associated with the Village's police department, contributions for fire and dispatch services, and expenses related to building inspection are shown within the Public Safety function. The Public Works function includes expenses for street and sidewalk maintenance, winter and forestry operations, refuse and recycling as well as engineering, and planning expenses. Health and Human Services include expenses incurred for the health department programs such as restaurant licensing and health clinic costs. Culture, Recreation and Education expenses are primarily related to the Village's library services and Park's program activities such as the 4th of July celebration, senior programs, and youth and adult athletic programs. Conservation and Development expenses are incurred mainly within the Village's TIF districts in order to promote development of the Village's tax base. The table below compares 2017 and 2018 expenses; the reasons for significant changes are addressed following the table.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Expenses	2018	2017	Change	% Chg
General government	\$ 1,660,207	\$ 1,819,991	\$ (159,784)	-8.78%
Public safety	7,111,839	6,745,102	366,737	5.44%
Public works	3,051,262	2,554,014	497,248	19.47%
Health and human services	928,197	858,439	69,758	8.13%
Culture, recreation and education	1,219,502	1,184,464	35,038	2.96%
Conservation and development	79,864	676,192	(596,328)	-88.19%
Interest and fiscal charges	1,070,562	548,684	521,878	95.11%
Total expenses	<u>\$ 15,121,433</u>	<u>\$ 14,386,886</u>	<u>\$ 734,547</u>	<u>5.11%</u>

General government expenses decreased by \$159,784 compared to 2017. This can be attributed to a \$500,000 Developer Incentive given in 2017 and a decrease in worker compensation insurance.

Public safety increased expenses over 2017 by \$366,737 due to North Shore Fire Department and Dispatch Services operating and capital cost.

Public works increased expenses by \$497,248 due mainly due to the cost of wages and benefits.

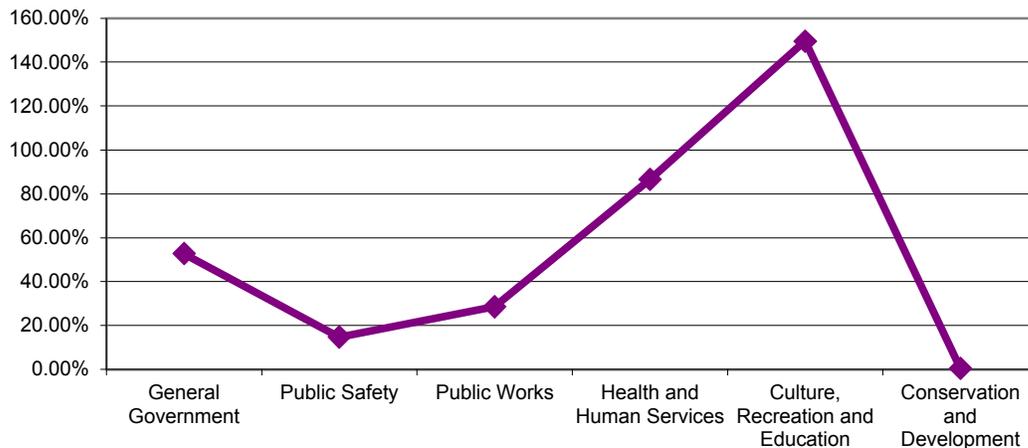
Health and Human Services increase expenses by \$69,758 due mainly to wages, benefits and program supplies.

Conservation and Development expenses decreased by \$596,328 in 2018. The main reason for the decrease in expenditures there were no TIF District Projects for 2018.

Interest and fiscal charges increased \$521,878 due to debt services expenses.

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.

Percentages of Expenses funded by Program Revenues



**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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 2017 to 2018 revenues.

	Business-type Activities			
	2018	2017	Change	% Chg
Revenues				
Program revenues:				
Charges for services	\$ 4,586,413	\$ 4,852,917	\$ (266,504)	-5.49%
Capital grants and contributions	7,000	-	7,000	N/A
General revenues:				
Other general revenues	<u>129,630</u>	<u>51,325</u>	<u>78,305</u>	<u>152.57%</u>
Total revenues	<u>\$ 4,723,043</u>	<u>\$ 4,904,242</u>	<u>\$ (181,199)</u>	<u>-3.69%</u>

Charges for Service is based on usage, and usage was down, there was a decrease of \$266,504.

Capital Grants and Contributions represent assets contributed by developers in the water and sanitary sewer utilities. There were no significant contributions made by any developer in 2018.

The Other General Revenues category is comprised of interest income (\$98,880) and the gain on sale of Village property (\$29,750).

Business-type Activities - Expenses

The table below compares the Village's Business-type activities expenses from 2017 to 2018.

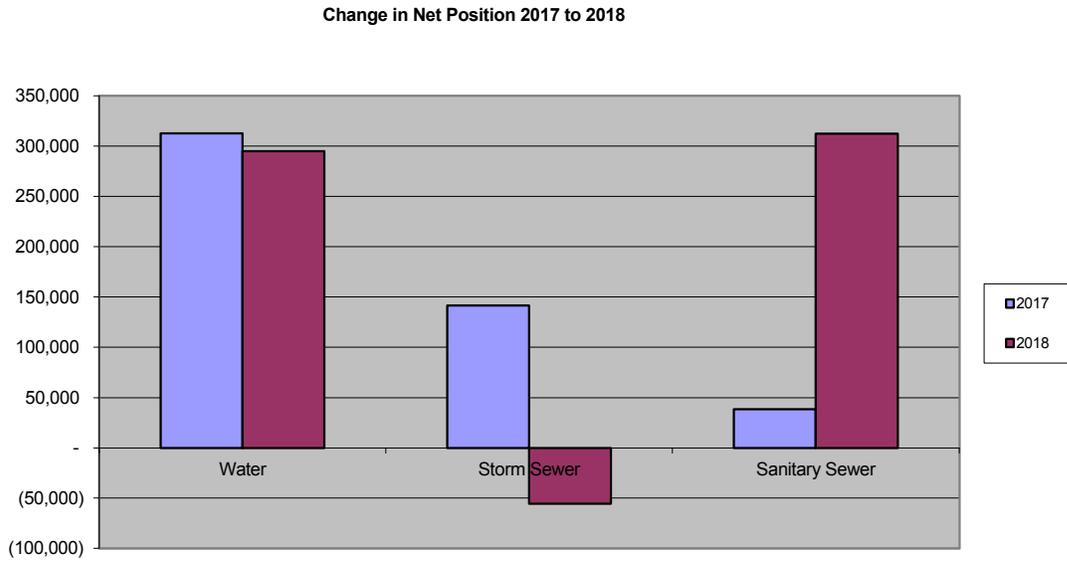
	Business-type Activities			
	2018	2017	Change	% Chg
Expenses				
Water	\$ 1,543,685	\$ 1,560,139	\$ (16,454)	-1.05%
Storm Water	1,118,003	1,039,349	78,654	7.57%
Sanitary Sewer	<u>1,380,122</u>	<u>1,760,761</u>	<u>(380,639)</u>	<u>(21.62)%</u>
Total expenses	<u>\$ 4,041,810</u>	<u>\$ 4,360,249</u>	<u>\$ (318,439)</u>	<u>-7.30%</u>

Water Utility expenses decreased by \$16,454 from 2017 to 2018 mainly due to decrease to maintenance cost to mains. Storm water expenses increased \$78,654 in 2018 mainly due to wage and benefit increase. The Sanitary Sewer expenses decreased by \$380,639 due to sanitary sewer CIPP lining project. Village typically alternates years in terms of focusing maintenance improvement efforts between sanitary sewer and storm water.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

Business-type activities increased the Village of Brown Deer's net position by \$273,242 in 2018 and the graph below shows the net income by utility for each year.

Specific reasons for these changes were previously addressed.



**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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 29-32 of this report.

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

The Village maintains nineteen (19) 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, and the Capital Improvement Fund, all of which are considered to be major funds. Data from the other fourteen (14) 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, *unassigned 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, 2018, the governmental funds reported combined ending fund balances of \$6,852,829, an increase of \$3,479,726 in comparison with the prior year. This is driven by surpluses in the General Fund and Capital Improvement Fund, offset by a deficit in TIF No. 4. Seventy-one percent (71%) 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 fifty-nine percent (59%) 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 twenty percent (20%) is for street lighting purposes, the North Shore Health Department, the Recycling Fund, and Park and Recreation purposes. The Village does not present any fund balance that is considered *Assigned Fund balance*, meaning the Village Board authorized the Village Manager and the Treasurer/Comptroller to assign a purpose to certain funds. Fifty-one percent (51%) of the Village's fund balance is *Unassigned Fund balance*, which is available for spending at the government's discretion.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

The General Fund is the chief operating fund of the Village of Brown Deer. As of December 31, 2018, the total fund balance of the General Fund was \$7,077,626 of which \$2,126,397 was unassigned. This unassigned fund balance represents approximately twenty-two (22%) 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 2018.

TIF District No. 2's fund balance decreased by \$96,619 due to purchase of land at 7680 N Teutonia Avenue.

TIF District No. 3's fund balance decreased by \$137,737 due to developer agreement with Beaver Creek.

TIF District No. 4's fund balance decreased by \$2,100,548 due to principal and interest due on long term debt and value has decrease below the original value at the start of the TIF. Also, the purchase of the old West Bury Bank for \$1.50 million to be used as the new Library.

The capital improvement fund increased the fund balance by \$4,451,039 due to debt issued for the construction of the new DPW Facility, which was on-going as of December 31, 2018.

The Village's nonmajor funds increased the fund balance by \$144,169 due to a combination of all nonmajor funds – majority being Municipal Court.

GENERAL FUND BUDGETARY HIGHLIGHTS

General fund revenues were over budget by \$774,668 and can be accounted for by the following revenues that exceeded budget expectations:

- We received \$202,725 more in revenue from state aid.
- Licenses and permits came in over budget by \$12,196 due to increase in building, electrical, plumbing, and heating and A/C permits.
- Parking Ticket fees came in over budget by \$29,571.
- Investment Interest came in over budget by \$140,698.
- Miscellaneous revenue came in over budget by \$102,189 due to commercial revenues.

General Fund expenditures were under budgeted by \$465,896. Dispatch Services, Public Works Forestry Operations and Village Hall were the top three department that were over budget. Otherwise most other department budgets came in under their budget or within \$15,000.

There was no budget amendments made in 2018 in the General Fund. The Village was able to remain eligible for the State of Wisconsin expenditure restraint program. This program provides state funding to communities that restrict spending growth within their General Fund.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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 33-37 of this report.

Unrestricted net position of the water, storm water and sanitary sewer utilities at the end of the year amounted to \$1,827,320; \$1,171,554; and \$1,737,705 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 38 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-81 of this report. The information provided below on capital assets and long-term debt can also be found within the footnotes to the financial statements.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

CAPITAL ASSETS

The Village's capital asset activity for 2017 and 2018 is summarized below and significant additions and deletions are described after the table.

	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Land	\$ 2,785,507	\$ 2,727,436	\$ 11,654	\$ 11,654
Construction in progress	6,851,219	-	1,088,694	9,946
Machinery and equipment	4,337,181	4,373,190	1,333,619	1,367,648
Library collection	835,313	808,447	-	-
Buildings and improvements	10,255,618	7,221,618	492,369	477,886
Infrastructure	19,475,724	18,762,246	28,622,242	27,743,647
Total capital assets	<u>44,540,562</u>	<u>33,892,937</u>	<u>31,548,578</u>	<u>29,610,781</u>
Less accumulated depreciation	<u>(16,922,677)</u>	<u>(15,787,061)</u>	<u>(12,880,832)</u>	<u>(12,383,359)</u>
Capital assets net of depreciation	<u>\$ 27,617,885</u>	<u>\$ 18,105,876</u>	<u>\$ 18,667,746</u>	<u>\$ 17,227,422</u>

Governmental Activities

- Land increased by \$58,071 due to the purchase of the new Public Works building.
- Construction in progress has increased for the construction of the net DPW Facility which was still under construction as of December 31, 2018.
- Machinery and Equipment decreased by \$36,009 due to sales of a dump truck and other smaller equipment.
- Building and improvements increased due to the acquisition of a building which will be renovated into the new Village of Brown Deer library. The Village paid \$1.50 million in cash in exchange for a building worth \$3.00 million. The difference between the cash outlay and the acquisition value of the building was recognized as a capital contribution.
- \$713,478 of infrastructure was added during 2018; Teutonia Avenue & Bradley Road Roundabout project with Milwaukee County.

Business-type Activities

- Water Utility added \$955,837 to infrastructure primarily for the addition transmission and distribution plant, including transmission and distribution mains, service lines, and meters.
- Sewer Utility added \$692,826 to construction in progress for the mainline and lateral rehabilitation projects.
- Storm water utility added \$414,306 for work performed related to Beaver Creek and creek realignment.

Additional information on the Village of Brown Deer's capital assets can be found in Note 4 on pages 57-59.

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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 \$475,685,825, which significantly exceeds the Village of Brown Deer's current outstanding general obligation debt of \$33,467,114. This debt is entirely backed by the full faith and credit of the government. As of December 31, 2018, the Village of Brown Deer's outstanding debt equaled 44.22% of the state authorized debt.

The table below summarizes the Village's long-term debt for 2017 and 2018:

	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
General obligation bonds and notes	\$27,162,114	\$16,751,712	\$ 6,305,000	\$ 5,290,000
Amount due to developer	1,525,000	1,780,000	-	-
Unamortized premium on bonds	340,468	145,832	74,470	42,504
Compensated absences	458,771	381,249	23,091	50,784
OPEB liability	749,377	73,216	-	-
Total	<u>\$30,235,730</u>	<u>\$19,132,009</u>	<u>\$ 6,402,561</u>	<u>\$ 5,383,288</u>

In 2017, the Village of Brown Deer issued a \$9,900,000 note anticipation notes (NAN) for public purposes, including financing improvements to Village Hall and Police Department and Department of Public Works buildings and other 2018 and 2019 general fund and utilities capital projects. Additional information regarding the Village of Brown Deer's long-term debt can be found in note 5 on pages 59-62.

In 2018, the Village adopted GASB Statement No. 75, which required the Village to record a liability for net other post-employment benefits 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 12 on pages 75-78.

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 89-95 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for Milwaukee County as of December 2018 was 3.0% compared to 3.1% in December 2017. This compares with an unemployment rate of 3.2% for the State of Wisconsin and a 4.1% national rate. Rates for the Village specifically are not available. Rates were obtained using the Wisconsin's Worknet website through the Department of Workforce Development, using seasonally adjusted rates, found at <http://worknet.wisconsin.gov/worknet/dalaus.aspx?menuselection=da>.

According to the State of Wisconsin's, March 2019 Economic Outlook report, Wisconsin building permits continue their seventh year of growth with a 0.6% increase in 2017 and 0.9% in 2018. Building permits were around 20,000 units in 2018, doubling their bottom level of 2011 but still significantly below their peak level of 41,000 in 2003. The forecast calls for 2.3% growth of building permits in 2019 and 3.0% in

**VILLAGE OF BROWN DEER, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

2020. By the end of the forecast period, Wisconsin permits are expected to reach 21,500 units, which still stands significantly below the 2003 peak level.

The Village's 2018 tax levy was again capped by the State of Wisconsin. The Village can raise its tax levy by three factors: 1) Net new construction's (Village's net new construction for 2018 was 1.459%), 2) Increase in debt service levy, 3) Levy increase in charges assessed by a joint fire department – the Village's increase for 2018 was \$62,152. The Village levied \$8,423,020 which is a 0.047% increase from the 2017 levy.

Intergovernmental revenues primarily funded by annual State programs, finance approximately 14% of the Village's 2018 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 2019 budget for the General Fund includes an increase of 1% in total expenditures due mostly to salaries and benefits. The 2018 General Fund budget is a balanced budget and qualifies for the expenditure restraint program.

REQUESTS FOR INFORMATION

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

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

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 8,381,246	\$ 4,513,534	\$ 12,894,780
Receivables, Net:			
Taxes	6,211,187	-	6,211,187
Special Assessments	33,022	-	33,022
Accounts	274,266	962,959	1,237,225
Inventory	-	22,915	22,915
Investments in CVMIC	429,675	-	429,675
Prepaid Items	94,942	-	94,942
Restricted Assets			
Cash and Cash Equivalents -Unspent Bond Proceeds	5,408,696	-	5,408,696
Pension Asset	1,186,002	53,289	1,239,291
Capital Assets:			
Land	2,785,507	11,654	2,797,161
Construction in Process	6,851,219	1,088,694	7,939,913
Other Capital Assets, Net of Depreciation	17,981,159	17,567,398	35,548,557
Total Assets	<u>49,636,921</u>	<u>24,220,443</u>	<u>73,857,364</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items	2,162,184	97,152	2,259,336
Unamortized Loss on Refunding	457,419	-	457,419
Total Deferred Outflows of Resources	<u>2,619,603</u>	<u>97,152</u>	<u>2,716,755</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	2,821,184	640,687	3,461,871
Estimated Claims Payable	74,408	-	74,408
Accrued Interest Payable	201,050	37,837	238,887
Due to (from) Other Governments	36	-	36
Special Deposits	29,181	53,062	82,243
Unearned Revenues	41	-	41
Noncurrent Liabilities:			
Due Within One Year	2,772,268	749,084	3,521,352
Due in More than One Year	27,463,462	5,653,477	33,116,939
Total Liabilities	<u>33,361,630</u>	<u>7,134,147</u>	<u>40,495,777</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Items	2,343,627	105,304	2,448,931
Subsequent Year Tax Levy	10,623,587	-	10,623,587
Total Deferred Inflows of Resources	<u>12,967,214</u>	<u>105,304</u>	<u>13,072,518</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
NET POSITION			
Net Investment in Capital Assets	\$ 9,493,534	\$ 12,288,276	\$ 21,632,706
Restricted	2,068,353	53,289	2,121,642
Unrestricted	<u>(5,634,207)</u>	<u>4,736,579</u>	<u>(748,524)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 5,927,680</u>	<u>\$ 17,078,144</u>	<u>\$ 23,005,824</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues			Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 1,660,207	\$ 856,027	\$ -	\$ 19,677	\$ (784,503)	\$ -	\$ (784,503)
Public Safety	7,111,839	913,197	131,943	39,636	(6,027,063)	-	(6,027,063)
Public Works	3,051,262	336,864	534,393	-	(2,180,005)	-	(2,180,005)
Health and Human Services	928,197	649,439	153,552	-	(125,206)	-	(125,206)
Culture, Recreation, and Education	1,219,502	229,378	94,832	1,500,000	604,708	-	604,708
Conservation and Development	79,864	-	-	300	(79,564)	-	(79,564)
Interest and Fiscal Charges	1,070,562	-	-	-	(1,070,562)	-	(1,070,562)
Total Governmental Activities	15,121,433	2,984,905	914,720	1,559,613	(9,662,195)	-	(9,662,195)
Business-Type Activities:							
Water Utility	1,543,685	1,831,580	-	7,000	-	294,895	294,895
Sewer Utility	1,380,122	1,692,572	-	-	-	312,450	312,450
Storm Water Utility	1,118,003	1,062,261	-	-	-	(55,742)	(55,742)
Total Business-Type Activities	4,041,810	4,586,413	-	7,000	-	551,603	551,603
Total Primary Government	\$ 19,163,243	\$ 7,571,318	\$ 914,720	\$ 1,566,613	(9,662,195)	551,603	(9,110,592)
GENERAL REVENUES							
Property Taxes:							
Levied for General Purposes					6,892,733	-	6,892,733
Levied for Debt Services					778,760	-	778,760
Levied for Capital Projects					1,705,628	-	1,705,628
Hotel Room Taxes					610,576	-	610,576
Intergovernmental Revenues not Restricted to Specific Programs					1,285,807	-	1,285,807
Investment Income					222,286	99,880	322,166
Gain on Sale of Village Property					94,253	29,750	124,003
Other					31,598	-	31,598
Total General Revenues					11,621,641	129,630	11,751,271
TRANSFERS					407,991	(407,991)	-
CHANGE IN NET POSITION					2,367,437	273,242	2,640,679
Net Position (Deficit) - Beginning of Year					4,203,754	16,804,902	21,008,656
RESTATEMENT					(643,511)	-	(643,511)
Net Position (Deficit) - Beginning of Year, Restated					3,560,243	16,804,902	20,365,145
NET POSITION - END OF YEAR					\$ 5,927,680	\$ 17,078,144	\$ 23,005,824

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

ASSETS	General	TIF No. 2	TIF No. 3	TIF No. 4	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Investments	\$ 5,020,695	\$ 3,448	\$ 325,629	\$ -	\$ -	\$ 2,986,993	\$ 8,336,765
Receivables, Net:							
Taxes:							
Tax Levy	3,917,308	437,512	676,942	17,287	220,590	941,548	6,211,187
Special Assessments on Tax Roll	-	-	-	-	-	33,022	33,022
Accounts	192,577	1,585	131	6,760	1,635	55,515	258,203
Due from Other Funds	75,621	-	-	-	-	-	75,621
Advances to Other Funds	4,821,400	-	-	-	-	-	4,821,400
Restricted Assets - Cash and Cash Equivalents:							
Unspent Bond Proceeds	-	-	-	-	5,408,696	-	5,408,696
Prepaid Expenses	94,942	-	-	-	-	-	94,942
Total Assets	<u>\$ 14,122,543</u>	<u>\$ 442,545</u>	<u>\$ 1,002,702</u>	<u>\$ 24,047</u>	<u>\$ 5,630,921</u>	<u>\$ 4,017,078</u>	<u>\$ 25,239,836</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 421,508	\$ 1,360	\$ 141,360	\$ 1,360	\$ 2,055,090	\$ 200,506	\$ 2,821,184
Due to Other Governments	-	-	-	-	-	36	36
Due to Other Funds	-	75,592	-	-	-	29	75,621
Advances from Other Funds	-	-	-	4,821,400	-	-	4,821,400
Special Deposits	29,181	-	-	-	-	-	29,181
Unearned Revenues	-	-	-	-	-	41	41
Total Liabilities	<u>450,689</u>	<u>76,952</u>	<u>141,360</u>	<u>4,822,760</u>	<u>2,055,090</u>	<u>200,612</u>	<u>7,747,463</u>
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	6,594,228	737,815	1,141,585	29,153	372,000	1,748,806	10,623,587
Other Deferred Inflows	-	-	-	6,790	-	9,167	15,957
Total Deferred Inflows of Resources	<u>6,594,228</u>	<u>737,815</u>	<u>1,141,585</u>	<u>35,943</u>	<u>372,000</u>	<u>1,757,973</u>	<u>10,639,544</u>
FUND BALANCES							
Nonspendable:							
Advances to Other Funds	4,821,400	-	-	-	-	-	4,821,400
Prepays	94,942	-	-	-	-	-	94,942
Restricted:							
Library	-	-	-	-	-	160,227	160,227
Police Donations	34,887	-	-	-	-	-	34,887
Policing Services	-	-	-	-	-	14,675	14,675
Police Asset Forfeiture	-	-	-	-	-	12,436	12,436
Unspent Bond Proceeds	-	-	-	-	3,203,831	-	3,203,831
Park and Recreation	-	-	-	-	-	95,357	95,357
Municipal Court	-	-	-	-	-	501,466	501,466
Tourism Commissions	-	-	-	-	-	54,136	54,136
Committed:							
Street Lighting	-	-	-	-	-	269,205	269,205
North Shore Health Department	-	-	-	-	-	280,886	280,886
Recycling	-	-	-	-	-	662,828	662,828
Park and Recreation	-	-	-	-	-	143,953	143,953
Unassigned (Deficit)	2,126,397	(372,222)	(280,243)	(4,834,656)	-	(136,676)	(3,497,400)
Total Fund Balances	<u>7,077,626</u>	<u>(372,222)</u>	<u>(280,243)</u>	<u>(4,834,656)</u>	<u>3,203,831</u>	<u>2,058,493</u>	<u>6,852,829</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,122,543</u>	<u>\$ 442,545</u>	<u>\$ 1,002,702</u>	<u>\$ 24,047</u>	<u>\$ 5,630,921</u>	<u>\$ 4,017,078</u>	<u>\$ 25,239,836</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Fund Balances of Governmental Funds	\$ 6,852,829
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	27,617,885
Special assessments and other receivables recognized as revenue.	15,957
Deferred outflows related to refunding losses are not current financial resources and, therefore, are not reported in the governmental funds.	457,419
Deferred outflows related to pensions are not current financial resources and, therefore, are not reported in the governmental funds.	2,162,184
Deferred inflows of resources that are not current financial resources.	(2,343,627)
Pension asset that is not a current financial resource.	1,186,002
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.	415,811
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and Notes Payable	(27,162,114)
Unamortized Premium	(340,468)
Amount Due to Developer	(1,525,000)
Compensated Absences	(458,771)
Total Other Postemployment Benefits Liability	(749,377)
Accrued Interest	(201,050)
	(29,434,079)
Net Position of Governmental Activities	\$ 5,927,680

See accompanying Notes to Financial Statements.

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	TIF No. 2	TIF No. 3	TIF No. 4	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 7,081,525	\$ 824,112	\$ 509,516	\$ -	\$ 372,000	\$ 1,241,778	\$ 10,028,931
Intergovernmental Revenues	1,644,618	753	14,453	6,210	-	311,056	1,977,090
Licenses and Permits	371,468	-	-	-	-	154,823	526,291
Fines, Forfeitures, and Penalties	69,571	-	-	-	-	539,590	609,161
Public Charges for Services	77,515	-	-	-	-	706,986	784,501
Public Improvement Revenues	-	-	-	-	-	43,646	43,646
Interdepartmental Charges for Services	968,380	-	-	-	-	485,012	1,453,392
Commercial Revenues	374,453	8,185	26,539	69,483	300	135,019	613,979
Total Revenues	<u>10,587,530</u>	<u>833,050</u>	<u>550,508</u>	<u>75,693</u>	<u>372,300</u>	<u>3,617,910</u>	<u>16,036,991</u>
EXPENDITURES							
Current:							
General Government	1,455,924	-	-	-	-	-	1,455,924
Public Safety	6,253,202	-	-	-	-	388,706	6,641,908
Public Works	1,504,084	-	-	-	-	438,662	1,942,746
Health and Human Services	152,947	-	-	-	-	751,438	904,385
Culture, Recreation, and Education	200,520	-	-	-	-	815,672	1,016,192
Conservation and Development	-	143,630	124,347	175,677	-	-	443,654
Capital Outlay	14,289	-	-	1,564,054	8,199,252	59,489	9,837,084
Debt Service:							
Principal Retirement	-	715,000	505,000	279,328	84,598	610,672	2,194,598
Interest and Fiscal Charges	-	71,039	58,898	157,182	285,193	409,102	981,414
Total Expenditures	<u>9,580,966</u>	<u>929,669</u>	<u>688,245</u>	<u>2,176,241</u>	<u>8,569,043</u>	<u>3,473,741</u>	<u>25,417,905</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,006,564	(96,619)	(137,737)	(2,100,548)	(8,196,743)	144,169	(9,380,914)
OTHER FINANCING SOURCES (USES)							
Transfers In	300,470	-	-	-	-	-	300,470
Transfers Out	(90,000)	-	-	-	-	-	(90,000)
Proceeds from the Sale of Equipment	2,388	-	-	-	82,878	-	85,266
Proceeds on Issuance of Long-Term Refunding Debt	-	-	-	-	12,350,000	-	12,350,000
Premium on Refunding Debt Issued	-	-	-	-	214,904	-	214,904
Total Other Financing Sources (Uses)	<u>212,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,647,782</u>	<u>-</u>	<u>12,860,640</u>
NET CHANGE IN FUND BALANCES	1,219,422	(96,619)	(137,737)	(2,100,548)	4,451,039	144,169	3,479,726
Fund Balances - Beginning of Year	<u>5,858,204</u>	<u>(275,603)</u>	<u>(142,506)</u>	<u>(2,734,108)</u>	<u>(1,247,208)</u>	<u>1,914,324</u>	<u>3,373,103</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,077,626</u>	<u>\$ (372,222)</u>	<u>\$ (280,243)</u>	<u>\$ (4,834,656)</u>	<u>\$ 3,203,831</u>	<u>\$ 2,058,493</u>	<u>\$ 6,852,829</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 3,479,726

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their useful lives and reported estimated useful lives and reported as depreciation expense in the statement of activities. Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements. 9,837,084

Some items reported as capital outlay were not capitalized. (268,981)

Depreciation is reported in the government-wide financial statements. (1,479,815)

Capital contributions are not reported in the fund financial statements 1,500,000

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 (\$85,266). The gain on the sale of capital assets is recognized within the statement of activities (\$8,987) (76,279)

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. (37,502)

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	(12,350,000)
Premium on Debt Issued	(214,904)
Principal Repaid	2,194,598

Some expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds.

Other Postemployment Benefits	(32,650)
Pension	(91,472)
Compensated Absences	(77,522)
Accrued Interest on Debt	(57,760)
Amortization of Loss on Refunding	(51,656)
Amortization of Premium	20,268

Internal service funds are used by management to charge self-insurance costs to individual funds. The increase in net position of the internal service fund is reported with governmental activities. 74,302

Change in Net Position of Governmental Activities \$ 2,367,437

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Totals	Internal Service Fund
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,666,936	\$ 1,488,740	\$ 1,357,858	\$ 4,513,534	\$ 44,481
Accounts Receivable	357,368	382,134	223,457	962,959	16,063
Materials and Supplies Inventory	22,915	-	-	22,915	-
Total Current Assets	<u>2,047,219</u>	<u>1,870,874</u>	<u>1,581,315</u>	<u>5,499,408</u>	<u>60,544</u>
NONCURRENT ASSETS					
Restricted Assets:					
Net Pension Asset	-	15,243	38,046	53,289	-
Capital Assets:					
Land	11,654	-	-	11,654	-
Structures, Improvements, and Equipment	14,638,149	8,205,772	7,604,309	30,448,230	-
Construction in Progress	-	692,826	395,868	1,088,694	-
Less: Accumulated Depreciation	(5,231,712)	(4,338,133)	(3,310,987)	(12,880,832)	-
Other Assets:					
Investment in CVMIC	-	-	-	-	429,675
Total Noncurrent Assets	<u>9,418,091</u>	<u>4,575,708</u>	<u>4,727,236</u>	<u>18,721,035</u>	<u>429,675</u>
Total Assets	11,465,310	6,446,582	6,308,551	24,220,443	490,219
DEFERRED OUTFLOW OF RESOURCES					
Pension Items	-	27,790	69,362	97,152	-
Total Deferred Outflows of Resources	<u>-</u>	<u>27,790</u>	<u>69,362</u>	<u>97,152</u>	<u>-</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Totals	Internal Service Fund
CURRENT LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 153,943	\$ 114,730	\$ 372,014	\$ 640,687	\$ -
Estimated Claims Payable	-	-	-	-	74,408
Accrued Interest	12,894	7,626	17,317	37,837	-
Unearned Revenue	53,062	-	-	53,062	-
Current Portion of Accumulated Sick and Vacation Pay	-	5,639	9,710	15,349	-
Current Portion of Long-Term Liabilities	241,357	165,247	327,131	733,735	-
Total Current Liabilities	<u>461,256</u>	<u>293,242</u>	<u>726,172</u>	<u>1,480,670</u>	<u>74,408</u>
NONCURRENT LIABILITIES					
Accumulated Sick and Vacation Pay	-	2,842	4,900	7,742	-
Long-Term Bonds and Notes Payable	1,922,706	1,124,240	2,598,789	5,645,735	-
Total Noncurrent Liabilities	<u>1,922,706</u>	<u>1,127,082</u>	<u>2,603,689</u>	<u>5,653,477</u>	<u>-</u>
Total Liabilities	2,383,962	1,420,324	3,329,861	7,134,147	74,408
DEFERRED INFLOW OF RESOURCES					
Pension Items	-	30,122	75,182	105,304	-
Total Deferred Inflows of Resources	<u>-</u>	<u>30,122</u>	<u>75,182</u>	<u>105,304</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	7,254,028	3,270,978	1,763,270	12,288,276	-
Restricted for Pension Obligations	-	15,243	38,046	53,289	-
Unrestricted	1,827,320	1,737,705	1,171,554	4,736,579	415,811
Total Net Position	<u>\$ 9,081,348</u>	<u>\$ 5,023,926</u>	<u>\$ 2,972,870</u>	<u>\$ 17,078,144</u>	<u>\$ 415,811</u>

See accompanying Notes to Financial Statements.

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water	Totals	Internal
			Utility		Service Fund
OPERATING REVENUES					
Sale of Water	\$ 1,664,603	\$ -	\$ -	\$ 1,664,603	\$ -
Sewage Collection Charges	-	1,676,319	-	1,676,319	-
Storm Water Charges	-	-	1,024,385	1,024,385	-
Other Operating Revenues	166,977	16,253	37,876	221,106	-
Total Operating Revenues	<u>1,831,580</u>	<u>1,692,572</u>	<u>1,062,261</u>	<u>4,586,413</u>	<u>-</u>
OPERATING EXPENSES					
Operation and Maintenance	1,209,947	1,240,062	794,167	3,244,176	31,761
Depreciation	281,610	107,518	233,519	622,647	-
Total Operating Expenses	<u>1,491,557</u>	<u>1,347,580</u>	<u>1,027,686</u>	<u>3,866,823</u>	<u>31,761</u>
OPERATING INCOME (LOSS)	340,023	344,992	34,575	719,590	(31,761)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	55,937	27,835	16,108	99,880	16,063
Gains on Sale or Trade of Assets	29,750	-	-	29,750	-
Interest Expense	(52,128)	(32,542)	(90,317)	(174,987)	-
Total Nonoperating Revenues (Expenses)	<u>33,559</u>	<u>(4,707)</u>	<u>(74,209)</u>	<u>(45,357)</u>	<u>16,063</u>
INCOME (LOSS) BEFORE TRANSFERS	373,582	340,285	(39,634)	674,233	(15,698)
CONTRIBUTED CAPITAL	7,000	-	-	7,000	-
TRANSFERS IN	-	-	-	-	90,000
TRANSFERS OUT	<u>(407,991)</u>	<u>-</u>	<u>-</u>	<u>(407,991)</u>	<u>-</u>
CHANGE IN NET POSITION	(27,409)	340,285	(39,634)	273,242	74,302
Net Position - Beginning of Year	<u>9,108,757</u>	<u>4,683,641</u>	<u>3,012,504</u>	<u>16,804,902</u>	<u>341,509</u>
NET POSITION - END OF YEAR	<u>\$ 9,081,348</u>	<u>\$ 5,023,926</u>	<u>\$ 2,972,870</u>	<u>\$ 17,078,144</u>	<u>\$ 415,811</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise				Governmental Activities
	Water Utility	Sewer Utility	Storm Water	Total	Internal Service Fund
			Utility		
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from Customers	\$ 1,862,821	\$ 1,735,872	\$ 1,093,740	\$ 4,692,433	\$ -
Paid to Suppliers for Goods and Services	(1,187,601)	(1,336,086)	(166,564)	(2,690,251)	(136,699)
Paid to Employees for Services	1,501	(116,104)	(285,531)	(400,134)	-
Net Cash Provided (Used) by Operating Activities	676,721	283,682	641,645	1,602,048	(136,699)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer In - Operating Transfer	-	-	-	-	90,000
Transfer Out - Paid for Tax Equivalent	(407,991)	-	-	(407,991)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(407,991)	-	-	(407,991)	90,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Short-Term Debt	(785,000)	(250,000)	(875,000)	(1,910,000)	
Principal Paid on Long-Term Debt	(156,400)	(114,000)	(214,600)	(485,000)	-
Interest Paid on Long-Term Debt	(50,199)	(31,944)	(90,999)	(173,142)	-
Proceeds from Issuance of Long-Term Debt	525,000	300,000	675,000	1,500,000	-
Premium Received from Issuance of Long-Term Debt	12,650	7,229	16,265	36,144	-
Proceeds on Sale of Capital Assets	29,748	-	-	29,748	-
Acquisition and Construction of Capital Assets	(948,842)	(692,826)	(414,301)	(2,055,969)	-
Net Cash Used by Capital and Related Financing Activities	(1,373,043)	(781,541)	(903,635)	(3,058,219)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income Received	55,937	27,835	16,108	99,880	29,895
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,048,376)	(470,024)	(245,882)	(1,764,282)	(16,804)
Cash and Cash Equivalents - Beginning of Year	2,715,312	1,958,764	1,603,740	6,277,816	61,285
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,666,936</u>	<u>\$ 1,488,740</u>	<u>\$ 1,357,858</u>	<u>\$ 4,513,534</u>	<u>\$ 44,481</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 340,023	\$ 344,992	\$ 34,575	\$ 719,590	\$ (31,761)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	281,610	107,518	233,519	622,647	-
(Increase) Decrease in Assets:					
Accounts Receivable	43,483	43,300	31,479	118,262	(5,862)
Inventory	550	-	-	550	-
Due from Other Funds	5,002	-	-	5,002	-
Net Pension Asset	-	(15,243)	(38,046)	(53,289)	-
Deferred Outflows of Resources	185,355	9,980	15,947	211,282	-
Increase (Decrease) in Liabilities:					
Accounts Payable and Accrued Liabilities	21,684	(212,328)	333,695	143,051	-
Estimated Claims Payable	-	-	-	-	(99,076)
Unearned Revenue	(17,244)	-	-	(17,244)	-
Due to Other Funds	(74,888)	(5,002)	-	(79,890)	-
Net Pension Liability	(18,698)	(4,940)	(11,116)	(34,754)	-
Deferred Inflows of Resources	(59,136)	14,498	40,027	(4,611)	-
Accumulated Sick Leave Payable	(31,020)	907	1,565	(28,548)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 676,721</u>	<u>\$ 283,682</u>	<u>\$ 641,645</u>	<u>\$ 1,602,048</u>	<u>\$ (136,699)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and Cash Equivalents	<u>\$ 1,666,936</u>	<u>\$ 1,488,740</u>	<u>\$ 1,357,858</u>	<u>\$ 4,513,534</u>	<u>\$ 44,481</u>
Cash and Cash Equivalents	<u>\$ 1,666,936</u>	<u>\$ 1,488,740</u>	<u>\$ 1,357,858</u>	<u>\$ 4,513,534</u>	<u>\$ 44,481</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2018**

	<u>Property Tax</u>
ASSETS	
Cash and Cash Equivalents	\$ 5,986,273
Taxes Receivable	<u>14,026,051</u>
Total Assets	<u><u>\$ 20,012,324</u></u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 27,347
Due to Other Taxing Units	<u>19,984,977</u>
Total Liabilities	<u><u>\$ 20,012,324</u></u>

See accompanying Notes to Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 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 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) 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds). 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).

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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Capital Projects Fund – TIF No. 2 Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan. The Village has chosen to voluntarily report this fund as major.

Capital Projects Fund – TIF No. 3 Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plan. The Village has chosen to voluntarily report this fund as major.

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

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

The Village reports the following major enterprise funds:

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports the following nonmajor governmental funds:

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

The Village reports the following special revenue funds:

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

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

In addition, the Village reports the following fund types:

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

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- 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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

Credit Risk and Concentration of Credit Risk

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

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

Interest Rate Risk

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (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, 2018, 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."

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

H. Restricted Assets

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

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects as specified in the bond agreement. The cash proceeds are restricted for the purposes of financing the projects. As of December 31, 2018, the Village had unspent bond proceeds of \$5,408,696.

Net Pension Asset

The net pension asset is presented as restricted in accordance with GASB Statement No. 68.

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, 2018 are determined on the basis of current salary rates and included salary related payments.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pension

For purposes of measuring the net pension 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.

K. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Village OPEB Plan and additions to/deductions from the Village OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Village OPEB Plan. For this Purpose, the Village OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

L. Capital Assets

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. The Village has adopted GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period as of January 1, 2018*. As a result, the Village did not capitalize any interest costs for the year ended December 31, 2018. 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

Buildings and Improvements	10 to 40 Years
Machinery and Equipment	5 to 15 Years
Library Collection	12 Years
Utility System	18 to 90 Years
Infrastructure	10 to 80 Years

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.

M. 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.

N. Use of Estimates

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

Proprietary 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 \$1,526,764 and is included in the unassigned General Fund balance.

P. 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.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

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. IRBs 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 IRBs outstanding at the end of the year is approximately \$9.40 million, made up of two issues.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 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.

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

	Carrying Value	Bank Balance	Associated Risks
Petty Cash	\$ 3,121	\$ -	N/A
Demand Deposits	12,764,198	11,091,191	Custodial Credit Risk
Certificates of Deposit	3,143,740	3,143,740	Custodial Credit Risk, Credit and Interest Rate Risk
Money Market Accounts	2,009,141	2,009,141	Custodial Credit Risk
Local Government Investment Pool	1,649,256	1,649,256	Credit Risk and Interest Rate Risk
Municipal Bonds	197,755	197,755	Custodial Credit, Credit, Concentration of Credit Risk, and Interest Rate Risk
U.S. Agencies	<u>4,522,538</u>	<u>4,522,538</u>	Custodial Credit, Credit, Concentration of Credit Risk, and Interest Rate Risk
Total	<u><u>\$ 24,289,749</u></u>	<u><u>\$ 22,613,621</u></u>	

Reconciliation to Financial Statements:

Per Statement of Net Position:

Unrestricted

Cash and Cash Equivalents \$ 12,894,780

Restricted Cash and Cash Equivalents 5,408,696

Per Statement of Net Position -

Agency Fund:

Cash and Cash Equivalents 5,986,273

Total Cash and Investments \$ 24,289,749

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, 2018, \$841,191 of the Village's deposits were not insured or collateralized.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 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, 2018, the Village's investments were rated as follows:

Investment Type	Amount	Rating
U.S. Agencies	\$ 4,522,538	AAA
Municipal Bonds	197,755	AA
Certificates of Deposits	3,143,740	Unrated
LGIP	1,649,256	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, 2018, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. Agencies	12.91%
FNMA	U.S. Agencies	9.26%
FHLM	U.S. Agencies	7.01%
FHLB	U.S. Agencies	5.64%

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2018, the Village's investments mature as follows:

Investment Type	Fair Value	Investment Maturities			
		Less than 6 Months	6 Months to 1 Year	1-3 Years	3 or More Years
Local Government					
Investment Pool	\$ 1,649,256	\$ 1,649,256	\$ -	\$ -	\$ -
Certificates of Deposit	3,143,740	1,089,437	919,304	1,134,999	-
U.S. Agencies	4,522,538	760,954	-	2,991,184	770,400
Municipal Bonds	197,755	-	-	148,203	49,552
Totals	<u>\$ 9,513,289</u>	<u>\$ 3,499,647</u>	<u>\$ 919,304</u>	<u>\$ 4,274,386</u>	<u>\$ 819,952</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Village Investments (Continued)

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

The Village has the following recurring fair value measurements as of December 31, 2018:

U.S. agency securities of \$4,522,538, municipal bonds of \$197,755 and negotiable certificates of deposit of \$3,143,740 are valued using a matrix pricing model (Level 2 inputs).

NOTE 3 RECEIVABLES

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

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally, the Village is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the Village's equalized value due to new construction, or zero percent for the 2016 levy collected in 2017 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 RECEIVABLES (CONTINUED)

Property tax calendar – 2017 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	March 31, 2019
Third installment due	May 31, 2019
Personal property taxes in full	January 31, 2019
Tax Settlements:	
Initial settlement	January 15, 2019
Second settlement	February 15, 2019
Third settlement	April 15, 2019
Fourth settlement	June 15, 2019
Final settlement	August 15, 2019
Tax deed by	
Delinquent real estate taxes	October 2021

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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 RECEIVABLES (CONTINUED)

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:

	<u>Unavailable</u>	<u>Tax Levy / Unearned</u>	<u>Total</u>
Property Taxes Receivable for Subsequent Year	\$ -	\$ 10,623,587	\$ 10,623,587
Developer Receivables	6,790	-	6,790
Policing Services	9,167	-	9,167
Health Department	-	41	41
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 15,957</u>	<u>\$ 10,623,628</u>	<u>\$ 10,639,585</u>

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Deletions	Reclassifications	Balance December 31, 2018
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 2,727,436	\$ 58,071	\$ -	\$ -	\$ 2,785,507
Construction in Progress	-	6,851,219	-	-	6,851,219
Total Capital Assets Not Being Depreciated	2,727,436	6,909,290	-	-	9,636,726
Capital Assets Being Depreciated:					
Machinery and Equipment	4,373,190	384,469	420,478	-	4,337,181
Library Collection	808,447	26,866	-	-	835,313
Buildings and Improvements	7,221,618	3,034,000	-	-	10,255,618
Infrastructure	18,762,246	713,478	-	-	19,475,724
Total Capital Assets Being Depreciated	31,165,501	4,158,813	420,478	-	34,903,836
Total Capital Assets	33,892,937	11,068,103	420,478	-	44,540,562
Less Accumulated Depreciation for:					
Buildings and Improvements	4,540,106	240,378	-	-	4,780,484
Library Collection	455,159	93,814	-	-	548,973
Machinery and Equipment	2,467,406	459,484	344,199	-	2,582,691
Infrastructure	8,324,390	686,139	-	-	9,010,529
Total Accumulated Depreciation	15,787,061	1,479,815	344,199	-	16,922,677
Net Capital Assets, Being Depreciated	15,378,440	2,678,998	76,279	-	17,981,159
Total Governmental Activities Capital Assets, Net	<u>\$ 18,105,876</u>	<u>\$ 9,588,288</u>	<u>\$ 76,279</u>	<u>\$ -</u>	<u>\$ 27,617,885</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2018	Additions	Deletions	Reclassifications	Balance December 31, 2018
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 11,654	\$ -	\$ -	\$ -	\$ 11,654
Construction in Progress	9,946	1,818,241	739,493	-	1,088,694
Total Capital Assets Not Being Depreciated	21,600	1,818,241	739,493	-	1,100,348
Capital Assets Being Depreciated:					
Structures and Improvements	477,886	14,483	-	-	492,369
Water Utility System	12,631,530	834,493	52,936	78,600	13,491,687
Sewer Utility System	7,824,031	-	-	-	7,824,031
Storm Water Utility System	7,288,086	18,438	-	-	7,306,524
Machinery and Equipment	1,367,648	116,809	72,238	(78,600)	1,333,619
Total Capital Assets Being Depreciated	29,589,181	984,223	125,174	-	30,448,230
Total Capital Assets	29,610,781	2,802,464	864,667	-	31,548,578
Less Accumulated Depreciation for:					
Structures and Improvements	353,108	10,396	-	-	363,504
Water Utility System	4,167,467	233,454	52,936	-	4,347,985
Sewer Utility System	4,034,282	97,913	-	-	4,132,195
Storm Water Utility System	2,985,726	213,671	-	-	3,199,397
Machinery and Equipment	842,776	67,213	72,238	-	837,751
Total Accumulated Depreciation	12,383,359	622,647	125,174	-	12,880,832
Net Capital Assets, Being Depreciated	17,205,822	361,576	-	-	17,567,398
Total Business-Type Activities Capital Assets, Net	<u>\$ 17,227,422</u>	<u>\$ 2,179,817</u>	<u>\$ 739,493</u>	<u>\$ -</u>	<u>\$ 18,667,746</u>

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

Governmental Activities	
General Government	\$ 167,459
Public Safety	180,316
Public Works, which Includes the Depreciation of Infrastructure	936,420
Health and Human Services	5,612
Culture, Recreation, and Education	185,971
Conservation and Development	4,037
Total Governmental Activities Depreciation Expense	<u>\$ 1,479,815</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

Water Utility	\$ 281,610
Sewer Utility	107,518
Storm Water Utility	<u>233,519</u>
Total Business-Type Activities	
Depreciation Expense	<u>\$ 622,647</u>

NOTE 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 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 16,285,000	\$ 12,350,000	\$ 1,855,000	\$ 26,780,000	\$ 2,241,265
G.O. Note Payable-Village of Whitefish Bay	294,847	-	56,102	238,745	56,992
G.O. Note Payable-Village of Bayside	171,865	-	28,496	143,369	28,496
Unamortized Premium on Bonds	145,832	214,904	20,268	340,468	28,025
Total Bonds and Notes Payable	<u>16,897,544</u>	<u>12,564,904</u>	<u>1,959,866</u>	<u>27,502,582</u>	<u>2,354,778</u>
Other Liabilities:					
Amount Due to Developer	1,780,000	-	255,000	1,525,000	140,000
Net OPEB Liability	716,727	62,764	30,114	749,377	44,076
Vested Compensated Absences	381,249	310,936	233,414	458,771	233,414
Total Other Liabilities	<u>2,877,976</u>	<u>373,700</u>	<u>518,528</u>	<u>2,733,148</u>	<u>417,490</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 19,775,520</u>	<u>\$ 12,938,604</u>	<u>\$ 2,478,394</u>	<u>\$ 30,235,730</u>	<u>\$ 2,772,268</u>
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 5,290,000	\$ 1,500,000	\$ 485,000	\$ 6,305,000	\$ 733,735
Unamortized Premium on Bonds	42,504	36,144	4,178	74,470	-
Other Liabilities:					
Vested Compensated Absences	50,784	14,278	41,971	23,091	15,349
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,383,288</u>	<u>\$ 1,550,422</u>	<u>\$ 531,149</u>	<u>\$ 6,402,561</u>	<u>\$ 749,084</u>

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM DEBT (CONTINUED)

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, 2018 was \$75,685,825. Total general obligation debt and related pledges outstanding at year end was \$33,467,114.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2018
Governmental Activities					
General Obligation Debt					
Taxable Issues:					
Refunding Bonds	5/9/2011	4/1/2022	1.80-4.35%	\$ 625,000	\$ 260,000
	11/26/2012	4/1/2028	1.00-3.25%	4,530,000	3,745,000
	1/4/2016	4/1/2022	0.95-2.35%	1,655,000	1,300,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00-3.00%	943,823	238,745
Bayside NSFD	4/6/2012	8/1/2023	0.80-2.30%	501,799	143,369
Tax-Exempt Issues:					
Promissory Notes	3/6/2015	4/1/2022	0.50-2.98%	1,410,000	830,000
	12/12/2011	4/1/2031	2.00-3.35%	630,000	260,000
	11/26/2012	4/1/2032	0.65-2.50%	550,000	405,000
Refunding Bonds	1/4/2016	4/1/2022	1.50-2.25%	205,000	135,000
	4/8/2018	4/1/2038	3.00-4.00%	9,995,000	9,995,000
	11/26/2018	4/1/2027	2.00-3.50%	2,355,000	2,355,000
Corporate Purpose Bonds	4/5/2010	4/1/2030	2.10-5.80%	5,355,000	3,620,000
	10/27/2014	4/1/2030	2.00-3.00%	2,025,000	1,755,000
	6/27/2016	4/1/2031	1.50-2.50%	2,450,000	2,120,000
Total Governmental Activities				<u>\$ 33,230,622</u>	<u>\$ 27,162,114</u>
General Obligation Debt					
Business-Type Activities					
General Obligation Debt					
Tax-Exempt Issues:					
Promissory Notes	12/12/2011	4/1/2031	2.00-3.35%	\$ 800,000	\$ 565,000
	11/26/2012	4/1/2016	2.00%	815,000	610,000
Refunding Bonds	4/3/2008	4/1/2022	1.50-2.25%	935,000	645,000
	11/26/2018	4/1/2027	2.00-3.50%	1,500,000	1,500,000
Corporate Purpose Bonds	4/3/2008	4/1/2016	2.60-4.00%	1,125,000	460,000
	10/27/2014	4/1/2029	2.00-3.00%	2,375,000	1,830,000
	6/27/2016	4/1/2031	1.50-2.50%	800,000	695,000
Total Business-Type Activities				<u>\$ 8,350,000</u>	<u>\$ 6,305,000</u>
General Obligation Debt					

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM DEBT (CONTINUED)

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 \$238,745 on December 31, 2018. 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 \$143,369 on December 31, 2018. Principal is due annually on August 1 through 2023 and interest is due semi-annually on February 1 and August 1 with interest at rates of 0.80% to 2.30%.

D. Current Year Issuances

\$9,995,000 General Obligation Refunding Bonds

On April 8, 2018, the Village issued \$9,995,000 General Obligation Refunding Bonds with interest rates ranging from 3.00% to 4.00%. The Bonds will mature serially on April 1 of the years 2024 through 2038. Interest on the bonds will be payable semi-annually, on April 1 and October 1 of each year beginning on October 1, 2018. The proceeds were used to refinance the \$9,900,000 Note Anticipation Notes, which had a stated interest rate of 1.74%. The debt service requirement of the old debt balance totaled \$9,950,721. The debt service requirement of the new debt balance totals \$14,378,877. The effective interest rate of the new debt is 3.24%. There was no economic gain or loss on the refunding.

\$3,855,000 General Obligation Refunding Bonds

On November 26, 2018, the Village issued \$3,855,000 General Obligation Refunding Bonds with interest rates ranging from 2.00% to 3.50%. The Bonds will mature serially on April 1 of the years 2019 through 2027. Interest on the bonds will be payable semi-annually, on April 1 and October 1 of each year beginning on April 1, 2019. The proceeds were used to refinance the \$3,775,000 Note Anticipation Notes, which had a stated interest rate of 2.71%. The debt service requirement of the old debt balance totaled \$3,798,824. The debt service requirement of the new debt balance totals \$4,237,608. The effective interest rate of the new debt is 3.32%. There was no economic gain or loss on the refunding.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM DEBT (CONTINUED)

E. Annual Maturities of General Obligation Debt

Debt service requirements to maturity are as follows:

	Governmental Activities Bonds and Notes Payable		Business-Type Activities Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 2,326,753	\$ 796,248	\$ 733,735	\$ 148,592
2020	2,353,534	748,137	753,735	136,201
2021	2,424,478	685,368	769,572	116,787
2022	2,416,622	619,423	779,300	96,864
2023	1,434,248	563,524	635,136	77,898
2024-2028	7,521,479	2,037,428	1,918,522	219,207
2029-2033	5,315,000	948,313	715,000	27,434
2034-2038	3,370,000	298,825	-	-
Totals	<u>\$ 27,162,114</u>	<u>\$ 6,697,266</u>	<u>\$ 6,305,000</u>	<u>\$ 822,983</u>

F. 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 \$115,000 related to this agreement during 2018, and expects to pay an additional \$125,000 during 2019.

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 recognized \$140,000 in accounts payable and expense on Tax Increment District No. 3 for the amount due the developer at December 31, 2018. For purpose of the government-wide financial statements the amount has been included in accounts payable and considered a reduction of a long-term liability. The remaining balance due to the developer at December 31, 2018 is \$1,400,000. The Village expects to pay \$140,000 per year for ten additional years.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 SHORT-TERM DEBT

The following is a summary of changes in short term notes payable during 2018:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018	Amounts Due Within One Year
Governmental Activities					
Note Anticipation Note	\$ 7,990,000	\$ 3,375,000	\$ 11,365,000	\$ -	\$ -
Total Note Anticipation Note	<u>7,990,000</u>	<u>3,375,000</u>	<u>11,365,000</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>\$ 7,990,000</u>	<u>\$ 3,375,000</u>	<u>\$ 11,365,000</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities					
Note Anticipation Note	\$ 1,910,000	\$ -	\$ 1,910,000	\$ -	\$ -
Total Note Anticipation Note	<u>1,910,000</u>	<u>-</u>	<u>1,910,000</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 1,910,000</u>	<u>\$ -</u>	<u>\$ 1,910,000</u>	<u>\$ -</u>	<u>\$ -</u>

2017 Note Anticipation Note

On December 18, 2017, the Village issued \$9.90 million in short-term note anticipation notes with an interest rate of 1.74% in anticipation of the issuance and sale of general obligation refunding bonds to finance 2018 and 2019 capital projects. The notes mature on August 18, 2018, but are subject to redemption prior to maturity, at the option of the Village, on March 18, 2018 or any date thereafter. These notes are tax-exempt obligations of the Village. This note was refinanced as a part of the issuance of the \$9.995 million General Obligation Refunding Bonds dated April 4, 2018.

2018 Note Anticipation Note

On May 17, 2018, the Village issued \$3.775 million in short-term note anticipation notes with an interest rate of 2.71% in anticipation of the issuance and sale of general obligation refunding bonds to finance 2018 and 2019 capital projects. The notes mature on December 19, 2018, but are subject to redemption prior to maturity, at the option of the Village, on July 19, 2018 or any date thereafter. These notes are tax-exempt obligations of the Village. This note was refinanced as a part of the issuance of the \$3.855 million General Obligation Refunding Bonds dated November 26, 2018.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2018 includes the following:

Governmental Activities

Net Investment in Capital Assets:

Land	\$ 2,785,507
Construction in Progress	6,851,219
Other Capital Assets, Net of Accumulated Depreciation	17,981,159
Less: Related Long-Term Capital Debt Outstanding	(21,785,601)
Plus: Unamortized Loss Related to Capital Debt	457,419
Plus: Unspent Capital Related Debt Proceeds	3,203,831
Total Net Investment in Capital Assets	<u>9,493,534</u>

Restricted:

Pension	1,186,002
Library	160,227
Police Asset Forfeiture	12,436
Strehlow Donation	76,453
Brown Deer Farmers Market	17,393
Community Vibes	1,511
Tourism	54,136
Municipal Court	501,466
Policing Services	23,842
Tourism Commission	34,887
Total Restricted	<u>2,068,353</u>

Unrestricted (Deficit)

	<u>(5,634,207)</u>
Total Governmental Activities Net Position	<u><u>\$ 5,927,680</u></u>

Business-Type Activities

Net Investment in Capital Assets:

Land	\$ 11,654
Construction in Progress	1,088,694
Other Capital Assets, Net of Accumulated Depreciation	17,567,398
Less: Related Long-Term Capital Debt Outstanding	(6,305,000)
Less: Premium on Debt	(74,470)
Plus: Unspent Capital Related Debt Proceeds	-
Total Net Investment in Capital Assets	<u>12,288,276</u>

Restricted for Pension

	53,289
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Unrestricted

	<u>4,736,579</u>
Total Business-Type Activities Net Position	<u><u>\$ 17,078,144</u></u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 NET POSITION/FUND BALANCES (CONTINUED)

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

	Governmental Activities	Business-Type Activities	Adjustment	Total
Net Investment in Capital Assets	\$ 9,493,534	\$ 12,288,276	\$ (149,104)	\$ 21,632,706
Unrestricted	(5,634,207)	4,736,579	149,104	(748,524)

Fund Balance Deficits

As of December 31, 2018, TIF Nos. 2, 3, and 4 had fund balance deficits of \$372,222, \$280,243, and \$4,834,656, respectively. The deficits are expected to be mitigated by future tax increments. The Village Grant and Debt Service Funds had fund balance deficits of \$24 and \$136,652, respectively.

NOTE 8 INTERFUND ACCOUNTS

A. Interfund Receivables/Payables, Advances, and Transfers

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

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
Interfund Receivable/ Payable:			
General	TIF No. 2	\$ 75,592	
General	Village Grant	24	
General	Community Vibes	5	
Total		<u>\$ 75,621</u>	
Interfund Advances:			
General Fund	TIF No. 4	\$ 4,821,400	\$ 4,821,400
Total		<u>\$ 4,821,400</u>	<u>\$ 4,821,400</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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 INTERFUND ACCOUNTS (CONTINUED)

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

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:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 300,470	\$ 90,000
Water Utility	-	407,991
Internal Service Fund	90,000	-
Total Fund Transfers	<u>390,470</u>	<u>497,991</u>
Governmental Activities	107,521	-
Total Government-Wide Transfers	<u>\$ 497,991</u>	<u>\$ 497,991</u>

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.

NOTE 9 RISK MANAGEMENT

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9 RISK MANAGEMENT (CONTINUED)

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

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

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

Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. The Village's percentage participation in WMIC and CVMIC on December 31, 2018 was approximately 1.683%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2018, the lump sum payment would be \$245,489.

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 2017 and 2018 were:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2017	\$ 59,355	\$ 114,129	\$ -	\$ 173,484
2018	173,484	72,500	171,576	74,408

At December 31, 2018, the internal service fund established for liability insurance has a net position of \$415,811.

NOTE 10 COMMITMENTS AND CONTINGENCIES

From time-to-time, the Village becomes involved in legal actions and claims, most of which normally occur in governmental operations. Legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of village management, any proceedings known to exist at December 31, 2018, are not likely to have a material adverse impact on the Village's financial position.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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.

NOTE 11 DEFINED BENEFIT PENSION PLAN

A. Summary of Significant Accounting Policies

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

B. Wisconsin Retirement System

Plan Description

WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. WRS is administered by the Wisconsin Department of Employee Trust Funds (ETF). WRS provides coverage to all eligible State of Wisconsin local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS.

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Vesting

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

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested employees may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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:

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Post Retirement Adjustments (Continued)

<u>Year</u>	<u>Core Fund Adjustments</u>	%	<u>Variable Fund Adjustments</u>
2008	6.6		-
2009	(2.1)		(42.0)
2010	(1.3)		22.0
2011	(1.2)		11.0
2012	(7.0)		(7.0)
2013	(9.6)		9.0
2014	4.7		25.0
2015	2.9		2.0
2016	0.5		(5.0)
2017	2.0		4.0

Contributions

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

During the reporting period, WRS recognized \$435,197 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.7%	6.7%
Executives and Elected Officials	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

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

At December 31, 2018, the Village reported a liability (asset) of \$1,239,291 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the Village's proportion was 0.04173939%, which was an increase of 0.00070208% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Village recognized pension expense of \$538,313.

At December 31, 2018, 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	\$ 1,574,551	\$ 736,522
Changes in Assumptions	244,859	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	1,703,292
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	4,729	9,117
Employer Contributions Subsequent to the Measurement Date	435,197	-
Total	<u>\$ 2,259,336</u>	<u>\$ 2,448,931</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

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

\$435,197 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, 2019. 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 Ending December 31,</u>	<u>Net Deferred Inflow of Resources</u>
2019	\$ 134,828
2020	(12,197)
2021	(427,621)
2022	(322,767)
2023	2,965
Thereafter	-
Total	<u>\$ (624,792)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method	Entry-age
Asset Valuation Method	Fair market value
Long-Term Expected Rate of Return	7.20%
Discount rate	7.20%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.20% to 5.60%
Mortality	Wisconsin 2012 Mortality Table
Postretirement Adjustments*	2.10%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 2.10% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a rollforward of the liability calculated from the December 31, 2016 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.

	Current Asset Allocation Percentage	Long-Term Expected Nominal Rate of Return Percentage	Long-Term Expected Real Rate of Return Percentage
Core Fund Asset Class:			
Global Equities	50.0%	8.2%	5.3%
Fixed Income	24.5%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	3.8%	1.0%
Real Estate	8.0%	6.5%	3.6%
Private Equity/Debt	8.0%	9.4%	6.5%
Multi-Asset	4.0%	6.6%	3.7%
Total Core Fund	110.0%	7.4%	4.5%
Variable Fund Asset Class:			
United States Equities	70.0%	7.5%	4.6%
International Equities	30.0%	7.8%	4.9%
Total Variable Fund	100.0%	7.9%	5.0%

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

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 3.31%. 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 will always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, 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 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.20%)
Village's Proportionate Share of the Net Pension Liability (Assets)	<u>\$ 3,206,471</u>	<u>\$ (1,239,291)</u>	<u>\$ (4,618,209)</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

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. In addition, the Village provides a monthly contribution toward the premium based upon the union contract or group the retiree was in while employed by the Village. 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, 2018, membership consisted of:

Inactive plan members of beneficiaries currently receiving benefit payments	5
Active plan members	<u>58</u>
Total	<u><u>63</u></u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Total OPEB Liability

The Village's total OPEB liability of \$749,377 was measured as of December 31, 2018, and was determined by an actuarial valuation as January 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	January 1, 2018
Measurement date	December 31, 2018
Inflation	4.00%
Discount rate	4.00%
Healthcare cost trend	24.1% (2019) decreasing to 5.0% (2028+)
Salary increases including inflation	2.00%
Mortality	WRS; see actuarial assumptions for details
Actuarial cost method	Entry Age Normal

The discount assumption is based on the current yield for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the following criteria:

Pre-retirement

This assumption applies to death while in service. Rates are based on the Wisconsin Retirement System's Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with MP-2015 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-retirement

This assumption applies to death of participants after retirement. Rates are based on the Wisconsin Retirement System's Mortality Table as the base table and project future improvements with MP-2015 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-Disability

This assumption applies to death after disablement. Rates are based on the 2015-2017 Experience Study performed by the actuary for the Wisconsin Retirement System (multiplied by the 50% for males and females and set forward one year for males).

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period 2015 – 2017 for the Wisconsin Retirement System (WRS).

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Changes in the Total OPEB Liability

The total OPEB liability has been rolled forward as follows:

	Total OPEB Liability (a)
Balances at December 31, 2017	\$ 73,216
Prior-Period Adjustment	643,511
Balance as Adjusted at December 31, 2017	716,727
Changes for the year:	
Service Cost	32,784
Interest on total OPEB Liability	29,980
Benefit Payments	(30,114)
Net Changes	32,650
Balances at December 31, 2018	\$ 749,377

There were no changes of assumptions in determining the total OPEB liability as of December 31, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease to Discount Rate (3.0%)	Current Discount Rate (4.0%)	1% Increase to Discount Rate (5.0%)
Total OPEB Liability	\$ 831,068	\$ 749,377	\$ 676,201

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

F. Sensitivity Analysis

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (23.1-4 percent) or 1-percentage-point higher (25.1-6 percent) than the current discount rate:

	1% Decrease	Current Trent	1% Increase
Total OPEB Liability	\$ 631,166	\$ 749,377	\$ 896,995

There are no deferred outflows of resources or deferred inflows of resources to be reported related to this activity for the year ended December 31, 2018.

For the year ended December 31, 2018, the Village recognized OPEB expense of \$62,764.

NOTE 13 BASIS FOR EXISTING RATES

A. Water Utility

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

B. Sewer Utility

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

C. Storm Water Utility

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 14 OTHER POLICIES – TAX INCREMENTAL DISTRICTS

A. Tax Increment District No. 2

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

As of December 31, 2018, 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, 2018, 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, 2018, the Village has made no amendments to the initial project plan.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 15 INTERMUNICIPAL AGREEMENTS

A. North Shore Fire Department

The Village is a member of the North Shore Fire Department (the Department) along with the Villages of Bayside, Fox Point, River Hills, Whitefish Bay, and the City of Glendale. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the proportion of the previous year's cost allocation formula percentage. The Department is governed by a seven-member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2018, the Village incurred expenditures of \$2.23 million for fire protection and emergency medical services under this agreement. Complete 2018 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.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 15 INTERMUNICIPAL AGREEMENTS (CONTINUED)

D. Bayside Communications Center

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

NOTE 16 RESTATEMENT

The Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018. The primary objective of this Statement is to improve accounting and financial reporting for postemployment benefits other than pensions, and replaces the requirements of GASB Statement No. 45. As a result, the Village's beginning of the year net position has been restated as follows:

	<u>12/31/2017</u>	<u>Restatement</u>	<u>12/31/2018</u> <u>Restated</u>
Governmental Activities	\$4,203,754	(\$643,511)	\$3,560,243

NOTE 17 SUBSEQUENT EVENTS

On April 18, 2019, the Village issued \$3.475 million in general obligation refunding bonds to current refund \$375,000 of the General Obligation Corporate Purpose Bonds and \$3,315,000 of Taxable General Obligation Corporate Purpose Bonds on April 18, 2019. The new bonds will mature serially on April 1 of the years 2020 through 2030. Interest on the bonds will be paid semi-annually on April 1 and October 1 of each year. The stated interest rate for all maturities are 4.00%.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 6,995,493	\$ 7,081,525	\$ 86,032
Intergovernmental Revenues	1,436,112	1,644,618	208,506
Licenses and Permits	359,272	371,468	12,196
Fines, Forfeitures, and Penalties	40,000	69,571	29,571
Public Charges for Services	16,025	77,515	61,490
Interdepartmental Charges for Services	868,519	968,380	99,861
Commercial Revenues	97,441	374,453	277,012
Total Revenues	<u>9,812,862</u>	<u>10,587,530</u>	<u>774,668</u>
EXPENDITURES			
Current:			
General Government	1,648,639	1,455,924	192,715
Public Safety	6,319,329	6,253,202	66,127
Public Works	1,730,300	1,504,084	226,216
Health and Human Services	153,446	152,947	499
Conservation and Development	500	-	500
Culture, Recreation, and Education	194,648	200,520	(5,872)
Capital Outlay	-	14,289	(14,289)
Total Expenditures	<u>10,046,862</u>	<u>9,580,966</u>	<u>465,896</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(234,000)	1,006,564	1,240,564
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of equipment	-	2,388	2,388
Transfers In	324,000	300,470	(23,530)
Transfers Out	(90,000)	(90,000)	-
Total Other Financing Sources (Uses)	<u>234,000</u>	<u>212,858</u>	<u>(21,142)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	1,219,422	<u>\$ 1,219,422</u>
Fund Balance - Beginning of Year		<u>5,858,204</u>	
FUND BALANCE - END OF YEAR		<u>\$ 7,077,626</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	2018
Total OPEB Liability	
Service Cost	\$ 32,784
Interest on Total OPEB Liability	29,980
Effect of Economic/Demographic (Gains) or Losses	-
Effect of Assumption Changes or Inputs	-
Benefit Payments	(30,114)
Net Change in Total OPEB Liability	32,650
Total OPEB Liability, Beginning	716,727
Total OPEB Liability, Ending	\$ 749,377
Covered - Employee Payroll*	\$ 5,268,457
City's total OPEB Liability as a Percentage of Covered Employee Payroll*	14.22%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**There are no assets accumulated in a trust for the payment of other postemployment benefits.

**VILLAGE OF BROWN DEER, WISCONSIN
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
DECEMBER 31, 2018*
(SEE INDEPENDENT AUDITORS' REPORT)**

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

	2014	2015	2016	2017
Village's proportion of the net pension liability (asset)	0.04056323%	0.04060769%	0.04103731%	0.04173939%
Village's proportionate share of the net pension liability (asset)	\$ (996,344)	\$ 659,867	\$ 338,245	\$ (1,239,291)
Village's covered payroll	\$ 4,687,391	\$ 4,851,886	\$ 4,983,360	\$ 4,989,401
Plan fiduciary net position as a percentage of the total pension liability	102.74%	98.20%	99.12%	102.93%
Proportionate share of the collective net pension liability (asset) as a percentage of the Village's covered payroll	(21.26%)	13.60%	6.79%	(24.84)

SCHEDULE OF CONTRIBUTIONS

	2015	2016	2017	2018
Contractually required contributions	\$ 394,968	\$ 397,074	\$ 430,918	\$ 435,197
Contributions in relation to the contractually required contributions	\$ (394,968)	\$ (397,074)	\$ (430,918)	\$ (435,197)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 4,851,886	\$ 4,983,360	\$ 4,989,401	\$ 4,933,700
Contributions as a percentage covered-employee payroll	8.14%	7.97%	8.64%	8.82%

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.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 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:

	Final Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund:			
Culture, Recreation, and Education	\$ 194,648	\$ 200,520	\$ 5,872
Capital Outlay	-	14,289	14,289
Special Revenue Funds:			
Recycling	360,898	402,934	42,036
Strehlow Donation	6,000	6,844	844
Brown Deer Farmers Market	4,969	10,130	5,161
Community Vibes	11,500	26,609	15,109
Tourism Commission	-	45,275	45,275
Municipal Court	211,392	278,705	67,313
Police Services	110,000	110,001	1
Debt Service Fund	778,760	1,019,774	241,014
Capital Projects Funds:			
TIF No. 2	890,607	929,669	39,062
TIF No. 3	459,853	688,245	228,392
TIF No. 4	638,698	2,176,241	1,537,543

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
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

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

SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)**

	Special Revenue Funds									
	Village Grant	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 249,279	\$ 340,032	\$ 277,512	\$ 12,418	\$ 945,242	\$ 157,482	\$ 76,453	\$ 17,393	\$ -
Receivables (Net):										
Taxes:										
Tax Levy	-	-	228,504	-	-	83,046	28,167	-	-	-
Special Assessments on Tax Roll	-	33,022	-	-	-	-	-	-	-	-
Accounts	-	309	531	29,897	18	1,255	8,293	-	-	1,516
Due from Other Governments	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 282,610</u>	<u>\$ 569,067</u>	<u>\$ 307,409</u>	<u>\$ 12,436</u>	<u>\$ 1,029,543</u>	<u>\$ 193,942</u>	<u>\$ 76,453</u>	<u>\$ 17,393</u>	<u>\$ 1,516</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
LIABILITIES										
Accounts Payable and Accrued Liabilities	\$ -	\$ 13,405	\$ 23,494	\$ 26,446	\$ -	\$ 65,675	\$ 2,489	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	36	-	-	-	-	-	-
Due to Other Funds	24	-	-	-	-	-	-	-	-	5
Unearned Revenues	-	-	-	41	-	-	-	-	-	-
Total Liabilities	<u>24</u>	<u>13,405</u>	<u>23,494</u>	<u>26,523</u>	<u>-</u>	<u>65,675</u>	<u>2,489</u>	<u>-</u>	<u>-</u>	<u>5</u>
DEFERRED INFLOWS OF RESOURCES										
Subsequent Year Tax Levy	-	-	385,346	-	-	301,040	47,500	-	-	-
Other Deferred Inflows	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>385,346</u>	<u>-</u>	<u>-</u>	<u>301,040</u>	<u>47,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES										
Restricted	-	-	160,227	-	12,436	-	-	76,453	17,393	1,511
Committed	-	269,205	-	280,886	-	662,828	143,953	-	-	-
Unassigned	(24)	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>(24)</u>	<u>269,205</u>	<u>160,227</u>	<u>280,886</u>	<u>12,436</u>	<u>662,828</u>	<u>143,953</u>	<u>76,453</u>	<u>17,393</u>	<u>1,511</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ -</u>	<u>\$ 282,610</u>	<u>\$ 569,067</u>	<u>\$ 307,409</u>	<u>\$ 12,436</u>	<u>\$ 1,029,543</u>	<u>\$ 193,942</u>	<u>\$ 76,453</u>	<u>\$ 17,393</u>	<u>\$ 1,516</u>

**VILLAGE OF BROWN DEER, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)**

	Special Revenue Funds (Continued)				Total Nonmajor Governmental Funds
	Tourism Commission	Municipal Court	Policing Services	Debt Service	
ASSETS					
Cash and Cash Equivalents	\$ 54,136	\$ 527,058	\$ 10,293	\$ 319,695	\$ 2,986,993
Receivables (Net):					
Taxes:					
Tax Levy	-	-	-	601,831	941,548
Special Assessments on Tax Roll	-	-	-	-	33,022
Accounts	-	-	13,549	147	55,515
Due from Other Governments	-	-	-	-	-
Total Assets	<u>\$ 54,136</u>	<u>\$ 527,058</u>	<u>\$ 23,842</u>	<u>\$ 921,673</u>	<u>\$ 4,017,078</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ 25,592	\$ -	\$ 43,405	\$ 200,506
Due to Other Governments	-	-	-	-	36
Due to Other Funds	-	-	-	-	29
Unearned Revenues	-	-	-	-	41
Total Liabilities	-	25,592	-	43,405	200,612
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year Tax Levy	-	-	-	1,014,920	1,748,806
Other Deferred Inflows	-	-	9,167	-	9,167
Total Deferred Inflows of Resources	-	-	9,167	1,014,920	1,757,973
FUND BALANCES					
Restricted	54,136	501,466	14,675	-	838,297
Committed	-	-	-	-	1,356,872
Unassigned	-	-	-	(136,652)	(136,676)
Total Fund Balances	<u>54,136</u>	<u>501,466</u>	<u>14,675</u>	<u>(136,652)</u>	<u>2,058,493</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 54,136</u>	<u>\$ 527,058</u>	<u>\$ 23,842</u>	<u>\$ 921,673</u>	<u>\$ 4,017,078</u>

VILLAGE OF BROWN DEER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Special Revenue Funds									
	Village Grant	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes
REVENUES										
Taxes	\$ -	\$ -	\$ 385,346	\$ -	\$ -	\$ -	\$ 47,500	\$ -	\$ -	\$ -
Intergovernmental Revenues	34,415	-	92,183	140,854	-	43,604	-	-	-	-
Licenses and Permits	-	-	-	154,823	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	23,059	21,963	-	329,920	193,336	-	9,134	6,025
Public Improvement Revenues	-	43,646	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	485,012	-	-	-	-	-	-
Commercial Revenues	-	-	68,465	6,451	205	18,794	17,192	1,276	319	19,556
Total Revenues	34,415	43,646	569,053	809,103	205	392,318	258,028	1,276	9,453	25,581
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	35,728	-	-	-	402,934	-	-	-	-
Health and Human Services Culture, Recreation, and Education	-	-	492,271	-	-	-	234,543	6,844	10,130	26,609
Capital Outlay	34,439	-	-	25,050	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	34,439	35,728	492,271	776,488	-	402,934	234,543	6,844	10,130	26,609
NET CHANGE IN FUND BALANCES	(24)	7,918	76,782	32,615	205	(10,616)	23,485	(5,568)	(677)	(1,028)
Fund Balances - Beginning of Year	-	261,287	83,445	248,271	12,231	673,444	120,468	82,021	18,070	2,539
FUND BALANCE - END OF YEAR	\$ (24)	\$ 269,205	\$ 160,227	\$ 280,886	\$ 12,436	\$ 662,828	\$ 143,953	\$ 76,453	\$ 17,393	\$ 1,511

VILLAGE OF BROWN DEER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Special Revenue Funds (Continued)				Total Nonmajor Governmental Funds
	Tourism Commission	Municipal Court	Policing Services	Debt Service	
REVENUES					
Taxes	\$ 30,172	\$ -	\$ -	\$ 778,760	\$ 1,241,778
Intergovernmental Revenues	-	-	-	-	311,056
Licenses and Permits	-	-	-	-	154,823
Fines, Forfeitures, and Penalties	-	539,590	-	-	539,590
Public Charges for Services	-	-	123,549	-	706,986
Public Improvement Revenues	-	-	-	-	43,646
Intergovernmental Charges for Services	-	-	-	-	485,012
Commercial Revenues	-	-	1,222	1,539	135,019
Total Revenues	<u>30,172</u>	<u>539,590</u>	<u>124,771</u>	<u>780,299</u>	<u>3,617,910</u>
EXPENDITURES					
Current:					
Public Safety	-	278,705	110,001	-	388,706
Public Works	-	-	-	-	438,662
Health and Human Services	-	-	-	-	751,438
Culture, Recreation, and Education	45,275	-	-	-	815,672
Capital Outlay	-	-	-	-	59,489
Debt Service:					
Principal Retirement	-	-	-	610,672	610,672
Interest and Fiscal Charges	-	-	-	409,102	409,102
Total Expenditures	<u>45,275</u>	<u>278,705</u>	<u>110,001</u>	<u>1,019,774</u>	<u>3,473,741</u>
NET CHANGE IN FUND BALANCES	(15,103)	260,885	14,770	(239,475)	144,169
Fund Balances - Beginning of Year	<u>69,239</u>	<u>240,581</u>	<u>(95)</u>	<u>102,823</u>	<u>1,914,324</u>
FUND BALANCE - END OF YEAR	<u>\$ 54,136</u>	<u>\$ 501,466</u>	<u>\$ 14,675</u>	<u>\$ (136,652)</u>	<u>\$ 2,058,493</u>

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	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	-	-	-	88,600	92,183	3,583
Licenses and Permits	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-
Public Charges for Services	-	-	-	25,200	23,059	(2,141)
Public Improvement Revenues	42,200	43,646	1,446	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Commercial Revenues	-	-	-	43,000	68,465	25,465
Total Revenues	42,200	43,646	1,446	542,146	569,053	26,907
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	37,100	35,728	1,372	-	-	-
Health and Human Services	-	-	-	-	-	-
Culture, Recreation, and Education	-	-	-	570,655	492,271	78,384
Conservation and Development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	37,100	35,728	1,372	570,655	492,271	78,384
NET CHANGE IN FUND BALANCES	\$ 5,100	7,918	\$ 2,818	\$ (28,509)	76,782	\$ 105,291
Fund Balances - Beginning of Year		<u>261,287</u>			<u>83,445</u>	
FUND BALANCE - END OF YEAR		<u>\$ 269,205</u>			<u>\$ 160,227</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	North Shore Health Department Fund			Recycling Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	132,046	140,854	8,808	30,000	43,604	13,604
Licenses and Permits	150,000	154,823	4,823	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-
Public Charges for Services	16,000	21,963	5,963	332,560	329,920	(2,640)
Public Improvement Revenues	-	-	-	-	-	-
Intergovernmental Charges for Services	485,458	485,012	(446)	-	-	-
Commercial Revenues	-	6,451	6,451	7,500	18,794	11,294
Total Revenues	783,504	809,103	25,599	370,060	392,318	22,258
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	360,898	402,934	(42,036)
Health and Human Services	783,504	751,438	32,066	-	-	-
Culture, Recreation, and Education	-	-	-	-	-	-
Conservation and Development	-	-	-	-	-	-
Capital Outlay	-	25,050	(25,050)	-	-	-
Total Expenditures	783,504	776,488	7,016	360,898	402,934	(42,036)
NET CHANGE IN FUND BALANCES	\$ -	32,615	\$ 32,615	\$ 9,162	(10,616)	\$ (19,778)
Fund Balances - Beginning of Year		<u>248,271</u>			<u>673,444</u>	
FUND BALANCE - END OF YEAR		<u>\$ 280,886</u>			<u>\$ 662,828</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Park and Recreation Program Fund			Strehlow Donation Fund			Brown Deer Farmers Market Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 47,500	\$ 47,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	-	-	-
Public Charges for Services	172,548	193,336	20,788	-	-	-	7,000	9,134	2,134
Public Improvement Revenues	-	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-	-
Commercial Revenues	18,950	17,192	(1,758)	-	1,276	1,276	-	319	319
Total Revenues	238,998	258,028	19,030	-	1,276	1,276	7,000	9,453	2,453
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Culture, Recreation, and Education	236,766	234,543	2,223	6,000	6,844	(844)	4,969	10,130	(5,161)
Conservation and Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	236,766	234,543	2,223	6,000	6,844	(844)	4,969	10,130	(5,161)
NET CHANGE IN FUND BALANCES	\$ 2,232	23,485	\$ 21,253	\$ (6,000)	(5,568)	\$ 432	\$ 2,031	(677)	\$ (2,708)
Fund Balances - Beginning of Year		<u>120,468</u>			<u>82,021</u>			<u>18,070</u>	
FUND BALANCE - END OF YEAR		<u>\$ 143,953</u>			<u>\$ 76,453</u>			<u>\$ 17,393</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Community Vibes Fund			Tourism Commission Fund			Municipal Court Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 30,172	\$ 30,172	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	450,000	539,590	89,590
Public Charges for Services	250	6,025	5,775	-	-	-	-	-	-
Public Improvement Revenues	-	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-	-
Commercial Revenues	11,500	19,556	8,056	-	-	-	-	-	-
Total Revenues	11,750	25,581	13,831	-	30,172	30,172	450,000	539,590	89,590
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	-	211,392	278,705	(67,313)
Public Works	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Culture, Recreation, and Education	11,500	26,609	(15,109)	-	45,275	(45,275)	-	-	-
Conservation and Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	11,500	26,609	(15,109)	-	45,275	(45,275)	211,392	278,705	(67,313)
NET CHANGE IN FUND BALANCES	<u>\$ 250</u>	<u>(1,028)</u>	<u>\$ (1,278)</u>	<u>\$ -</u>	<u>(15,103)</u>	<u>\$ (15,103)</u>	<u>\$ 238,608</u>	<u>260,885</u>	<u>\$ 22,277</u>
Fund Balances - Beginning of Year		<u>2,539</u>			<u>69,239</u>			<u>240,581</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,511</u>			<u>\$ 54,136</u>			<u>\$ 501,466</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Policing Services Fund		
	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Licenses and Permits	-	-	-
Fines, Forfeitures, and Penalties	-	-	-
Public Charges for Services	110,000	123,549	13,549
Public Improvement Revenues	-	-	-
Intergovernmental Charges for Services	-	-	-
Commercial Revenues	-	1,222	1,222
Total Revenues	<u>110,000</u>	<u>124,771</u>	<u>14,771</u>
EXPENDITURES			
Current:			
Public Safety	110,000	110,001	(1)
Public Works	-	-	-
Health and Human Services	-	-	-
Culture, Recreation, and Education	-	-	-
Conservation and Development	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>110,000</u>	<u>110,001</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>14,770</u>	<u>\$ 14,770</u>
Fund Balances - Beginning of Year		<u>(95)</u>	
FUND BALANCE - END OF YEAR		<u>\$ 14,675</u>	

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 BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance with Final Budget
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 778,760	\$ 778,760	\$ -
Commercial Revenues	-	1,539	1,539
Total Revenues	<u>778,760</u>	<u>780,299</u>	<u>1,539</u>
 EXPENDITURES			
Debt Service:			
Principal	610,672	610,672	-
Interest and Fiscal Charges	168,088	409,102	241,014
Total Expenditures	<u>778,760</u>	<u>1,019,774</u>	<u>241,014</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ -</u></u>	 <u>(239,475)</u>	 <u><u>\$ 242,553</u></u>
 Fund Balance - Beginning of Year		 <u>102,823</u>	
 FUND BALANCE - END OF YEAR		 <u><u>\$ (136,652)</u></u>	

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).

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

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

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

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

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	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	\$ 363,232	\$ 824,112	\$ 460,880	\$ 224,572	\$ 509,516	\$ 284,944
Intergovernmental Revenues	-	753	753	10,000	14,453	4,453
Commercial Revenues	1,000	8,185	7,185	-	26,539	26,539
Total Revenues	<u>364,232</u>	<u>833,050</u>	<u>468,818</u>	<u>234,572</u>	<u>550,508</u>	<u>315,936</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Conservation and Development	130,881	143,630	(12,749)	124,643	124,347	296
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	695,000	715,000	(20,000)	270,000	505,000	(235,000)
Interest and Fiscal Charges	64,726	71,039	(6,313)	65,210	58,898	6,312
Total Expenditures	<u>890,607</u>	<u>929,669</u>	<u>(39,062)</u>	<u>459,853</u>	<u>688,245</u>	<u>(228,392)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(526,375)	(96,619)	429,756	(225,281)	(137,737)	87,544
OTHER FINANCING SOURCES (USES)						
Proceeds on Issuance of Long-Term Debt						
Long-Term Debt	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Proceeds on Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (526,375)</u>	<u>(96,619)</u>	<u>\$ 429,756</u>	<u>\$ (225,281)</u>	<u>(137,737)</u>	<u>\$ 87,544</u>
Fund Balances - Beginning of Year		<u>(275,603)</u>			<u>(142,506)</u>	
FUND BALANCE - END OF YEAR		<u>\$ (372,222)</u>			<u>\$ (280,243)</u>	

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	TIF No. 4 Fund			Capital Improvements Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 372,000	\$ 372,000	\$ -
Intergovernmental Revenues	5,000	6,210	1,210	-	-	-
Commercial Revenues	-	69,483	69,483	-	300	300
Total Revenues	<u>5,000</u>	<u>75,693</u>	<u>70,693</u>	<u>372,000</u>	<u>372,300</u>	<u>300</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Conservation and Development	199,962	175,677	24,285	-	-	-
Capital Outlay	-	1,564,054	(1,564,054)	11,213,333	8,199,252	3,014,081
Debt Service:						
Principal Retirement	272,017	279,328	(7,311)	-	84,598	(84,598)
Interest and Fiscal Charges	166,719	157,182	9,537	-	285,193	(285,193)
Total Expenditures	<u>638,698</u>	<u>2,176,241</u>	<u>(1,537,543)</u>	<u>11,213,333</u>	<u>8,569,043</u>	<u>2,644,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(633,698)</u>	<u>(2,100,548)</u>	<u>(1,466,850)</u>	<u>(10,841,333)</u>	<u>(8,196,743)</u>	<u>2,644,590</u>
OTHER FINANCING SOURCES (USES)						
Proceeds on Issuance of Long-Term Debt						
Long-Term Debt	-	-	-	13,365,000	12,350,000	(1,015,000)
Premium on Debt Issued	-	-	-	-	214,904	214,904
Proceeds on Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,365,000</u>	<u>12,564,904</u>	<u>(800,096)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (633,698)</u>	<u>(2,100,548)</u>	<u>\$ (1,466,850)</u>	<u>\$ 2,523,667</u>	<u>4,368,161</u>	<u>\$ 1,844,494</u>
Fund Balances - Beginning of Year		<u>(2,734,108)</u>			<u>(1,247,208)</u>	
FUND BALANCE - END OF YEAR		<u>\$ (4,834,656)</u>			<u>\$ 3,120,953</u>	

AGENCY FUND

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

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

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<u>Property Tax Fund</u>				
ASSETS				
Cash and Cash Equivalents	\$ 6,785,882	\$ 18,890,861	\$ 19,690,470	\$ 5,986,273
Taxes Receivable	<u>12,931,937</u>	<u>14,026,051</u>	<u>12,931,937</u>	<u>14,026,051</u>
Total	<u>\$ 19,717,819</u>	<u>\$ 32,916,912</u>	<u>\$ 32,622,407</u>	<u>\$ 20,012,324</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 87,890	\$ 27,347	\$ 87,890	\$ 27,347
Due to Other Taxing Units	<u>19,629,929</u>	<u>19,984,977</u>	<u>19,629,929</u>	<u>19,984,977</u>
Total	<u>\$ 19,717,819</u>	<u>\$ 20,012,324</u>	<u>\$ 19,717,819</u>	<u>\$ 20,012,324</u>

STATISTICAL SECTION

**VILLAGE OF BROWN DEER, WISCONSIN
STATISTICAL SECTION
YEAR ENDED DECEMBER 31, 2018**

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012 (2)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (3)</u>
Governmental Activities										
Net investment in capital assets	\$ 7,896,810	\$ 7,151,972	\$ 7,745,484	\$ 8,555,686	\$ 8,676,378	\$ 8,138,711	\$ 9,697,949	#####	#####	\$ 9,493,534
Restricted	139,934	136,004	134,846	171,303	1,806,405	1,905,497	2,098,623	1,573,881	328,904	2,068,353
Unrestricted	(8,017,081)	(7,468,247)	(8,571,699)	(8,788,772)	(6,682,496)	(4,977,570)	(3,531,032)	(10,893,760)	(10,767,434)	(5,634,207)
Total governmental activities net position	\$ 19,663	\$ (180,271)	\$ (691,369)	\$ (61,783)	\$ 3,800,287	\$ 5,066,638	\$ 8,265,540	\$ 3,500,621	\$ 2,859,247	\$ 5,927,680
Business-type Activities										
Net investment in capital assets	#####	#####	#####	\$ 12,772,500	#####	#####	#####	#####	#####	#####
Restricted	270,574	285,153	306,799	336,488	367,285	-	-	77,706	-	53,289
Unrestricted	2,719,583	2,006,739	2,206,903	2,502,804	2,498,666	2,546,370	3,502,002	3,810,783	3,916,930	4,736,579
Total business-type activities net position	#####	#####	#####	\$ 15,611,792	#####	#####	#####	#####	#####	#####
Primary government										
Net investment in capital assets (1)	#####	#####	#####	\$ 21,114,209	#####	#####	#####	#####	#####	#####
Restricted	410,508	421,157	441,645	507,791	2,173,690	1,905,497	2,098,623	1,651,587	328,904	2,121,642
Unrestricted	(5,297,498)	(5,461,508)	(6,144,229)	(6,071,991)	(3,976,649)	(2,431,200)	(29,030)	(7,082,977)	(6,850,504)	(897,628)
Total primary government net position	#####	#####	#####	\$ 15,550,009	#####	#####	#####	#####	#####	#####

Notes

- (1) The governmental activities net assets invested in capital assets, net of related debt noted above exclude portions of long-term debt that was used to purchase capital assets of the business-type activities. The total government-wide net assets invested in capital assets, net of related debt include this amount as capital related debt.
- (2) Net Position restated in 2013 due to GASB 65 reclassifications, an OPEB restatement and a CVMIC restatement.
- (3) Net Position restated in 2018 due to GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

VILLAGE OF BROWN DEER, WISCONSIN

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2009	2010	2011	2012 (2)	2013	2014	2015	2016	2017	2018 (3)
Expenses										
Governmental Activities:										
General Government	\$ 1,399,299	\$ 1,294,235	\$ 1,344,051	\$ 1,273,135	\$ 1,551,039	\$ 1,754,475	\$ 1,627,637	\$ 1,739,455	\$ 1,975,512	\$ 1,660,207
Public Safety	6,085,914	5,871,990	6,440,420	6,695,189	6,313,518	6,428,471	6,378,649	7,219,626	7,646,224	7,111,839
Public Works	2,637,864	2,396,016	2,738,878	2,787,379	2,903,734	2,797,339	2,202,006	2,666,185	2,727,200	3,051,262
Health & Human Services	639,859	567,554	592,289	815,587	823,513	895,149	729,305	916,806	951,163	928,197
Culture, recreation & education	1,155,647	1,222,130	1,180,413	1,073,182	1,111,854	1,153,251	1,064,661	1,255,017	1,293,081	1,219,502
Conservation & development	1,153,886	926,179	836,638	272,050	131,899	96,966	3,339,845	3,862,232	666,323	79,864
Interest & Fiscal Charges	779,652	898,923	900,832	773,085	752,513	675,456	668,028	695,522	548,684	1,070,562
Total government activities expense	13,852,121	13,177,027	14,033,521	13,689,607	13,588,070	13,801,107	16,010,131	18,354,843	15,808,187	15,121,433
Business-type Activities:										
Water Utility	1,285,391	1,257,481	1,373,831	1,412,419	1,317,513	1,428,306	1,290,611	1,355,672	1,637,238	1,543,685
Storm Water Utility	696,986	516,569	544,299	544,483	580,123	585,368	874,183	970,326	944,710	1,118,003
Sewer Utility	1,113,731	1,480,800	1,423,391	1,272,097	1,640,202	1,410,184	1,636,935	1,409,969	1,781,132	1,380,122
Total business-type activities expense	3,096,108	3,254,850	3,341,521	3,228,999	3,537,838	3,423,858	3,801,729	3,735,947	4,363,080	4,041,810
Total Primary Government Expense	#####	\$ 16,431,877	\$ 17,375,042	\$ 16,918,606	#####	\$ 17,224,965	\$ 19,811,860	\$ 22,090,790	\$ 20,171,267	#####
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 233,401	\$ 224,517	\$ 235,111	\$ 499,387	\$ 379,149	\$ 370,437	\$ 661,685	\$ 632,618	\$ 483,365	\$ 856,027
Public Safety	442,000	387,979	403,111	473,061	415,983	607,527	485,849	575,664	662,902	913,197
Public Works	422,678	341,960	375,275	423,741	374,993	370,938	339,427	345,620	341,315	336,864
Health & Human Services	260,891	263,814	433,146	459,251	588,915	589,352	189,750	194,654	244,113	649,439
Culture, Recreation & Education	302,632	310,925	306,447	286,574	134,982	140,759	297,546	309,330	312,246	229,378
Conservation & Development	9,500	-	-	-	-	-	7,000	63,325	(9,766)	-
Interest & Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	753,316	759,543	686,607	864,150	947,594	379,976	1,000,103	1,147,705	1,114,547	914,720
Capital Grants and Contributions	1,166,530	39,700	181,220	83,475	1,488,274	363,815	98,920	53,098	83,950	1,559,613
Total governmental activities program revenues	3,590,948	2,328,438	2,620,917	3,089,639	4,329,890	2,822,804	3,080,280	3,322,014	3,232,672	5,459,238
Business-type activities:										
Charges for Services										
Water Utility	1,527,206	1,548,514	1,573,212	1,750,070	1,628,368	1,672,947	1,774,802	1,951,332	1,873,077	1,831,580
Storm Water Utility	753,407	756,220	898,483	884,737	1,002,088	914,845	1,008,163	1,152,067	1,040,282	1,062,261
Sewer Utility	1,226,339	1,295,464	1,310,263	1,398,628	1,351,461	1,566,191	1,534,534	1,686,576	1,799,085	1,692,572
Capital Grants and Contributions	579,555	6,840	227,012	91,176	-	30,196	117,307	-	-	7,000
Total business-type activities program revenues	4,086,507	3,607,038	4,008,970	4,124,611	3,981,917	4,184,179	4,434,806	4,789,975	4,712,444	4,593,413
Total Primary Government Program Revenues	\$ 7,677,455	\$ 5,935,476	\$ 6,629,887	\$ 7,214,250	\$ 8,311,807	\$ 7,006,983	\$ 7,515,086	\$ 8,111,989	\$ 7,945,116	#####
Net (Expense)/Revenue										
Governmental Activities	(10,261,173)	(10,848,589)	(11,412,604)	(10,599,968)	(9,258,180)	(10,978,303)	(12,929,851)	(15,032,829)	(12,575,515)	(9,662,195)
Business-type Activities	990,399	352,188	667,449	895,612	444,079	760,321	633,077	1,054,028	349,364	551,603
Total Primary Government Net Expense	\$(9,270,774)	#####	#####	\$(9,704,356)	\$(8,814,101)	#####	#####	#####	#####	\$(9,110,592)
General Revenues and Other changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 8,334,365	\$ 8,764,225	\$ 8,788,024	\$ 9,307,851	\$ 9,127,458	\$ 9,204,538	\$ 9,034,450	\$ 9,301,172	\$ 9,299,564	\$ 9,377,121
Hotel Room Taxes	433,152	476,934	492,759	504,958	580,404	589,710	613,636	631,186	668,949	610,576
Intergov't revenues not restr to spec programs	809,936	815,719	981,580	900,234	1,445,459	1,518,812	1,540,137	676,860	1,074,779	1,285,807
Investment Income	173,266	279,908	258,171	187,040	77,035	339,210	78,035	41,633	58,172	222,286
Miscellaneous	83,884	72,142	125,533	48,650	226,206	250,739	1,360,402	706,194	547,928	31,598
Gain on sale/disposal of capital assets	-	-	-	-	124,236	53,985	16,482	33,761	-	94,253
Special Item-Forgiveness of debt	-	-	-	-	-	-	-	-	-	-
Transfers	219,885	239,727	255,439	280,821	297,558	287,660	1,761,141	305,623	285,566	407,991
Total Governmental Activities	10,054,488	10,648,655	10,901,506	11,229,554	11,878,356	12,244,654	14,404,283	11,696,429	11,934,958	12,029,632
Business-type Activities:										
Investment Income	56,035	67,164	45,659	44,580	28,999	48,019	41,362	6,147	51,325	99,880
Gain on sale/disposal of capital assets	-	-	-	-	3,502	2,750	53,301	53,301	-	29,750
Transfers	(219,885)	(239,727)	(255,439)	(280,821)	(297,558)	(287,660)	(1,761,141)	(1,761,141)	(285,566)	(407,991)
Total Business-type Activities	(163,850)	(172,563)	(209,780)	(236,241)	(265,057)	(236,891)	(1,666,478)	(1,701,693)	(234,241)	(278,361)
Total Primary Government	\$ 9,890,638	\$ 10,476,092	\$ 10,691,726	\$ 10,993,313	#####	\$ 12,007,763	\$ 12,737,805	\$ 9,994,736	\$ 11,700,717	#####
Change in Net Position										
Governmental Activities	\$ (206,685)	\$ (199,934)	\$ (511,098)	\$ 629,586	\$ 2,620,176	\$ 1,266,351	\$ 1,474,432	\$ (3,336,400)	\$ (640,557)	\$ 2,367,437
Business-type Activities	826,549	179,625	457,669	659,371	179,022	523,430	(1,033,401)	(647,665)	115,123	273,242
Total Primary Government	\$ 619,864	\$ (20,309)	\$ (53,429)	\$ 1,288,957	\$ 2,799,198	\$ 1,789,781	\$ 441,031	\$ (3,984,065)	\$ (525,434)	\$ 2,640,679

Notes

- (1) Past year's revenues and expenses have not been adjusted for restatements made in future years.
- (2) Net Position restated in 2013 due to GASB 65 implementation, and restatements for OPEB and CVMIC equity investment.
- (3) Net Position restated in 2018 due to GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

**VILLAGE OF BROWN DEER, WISCONSIN
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 86,310	\$ 499,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	-	416,993	64,112	1,319,557	1,476,882	1,561,726	2,215,973	2,732,748	4,916,342
Restricted	-	-	-	-	17,028	17,205	17,205	19,755	27,775	34,887
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	54,350	17,028	-	-	-	-	-	-
Unreserved	2,138,358	2,110,667	-	-	-	-	-	-	-	-
Unassigned	-	-	2,607,990	3,418,220	2,576,744	3,095,207	3,371,670	3,053,356	3,004,558	2,126,397
Total General Fund	<u>2,224,668</u>	<u>2,610,515</u>	<u>3,079,333</u>	<u>3,499,360</u>	<u>3,913,329</u>	<u>4,589,294</u>	<u>4,950,601</u>	<u>5,289,084</u>	<u>5,765,081</u>	<u>7,077,626</u>
All Other Governmental Funds										
Reserved	2,087,634	1,553,668	-	-	-	-	-	-	-	-
Non-Spendable	-	-	185,000	-	-	32,287	-	-	-	-
Restricted	-	-	5,077,401	5,391,888	3,531,736	3,024,197	2,081,418	478,137	610,949	4,042,128
Committed	-	-	458,644	565,055	726,188	861,443	1,308,570	1,982,374	1,303,470	1,356,872
Assigned	-	-	477,075	355,050	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	1,487,031	589,556	-	-	-	-	-	-	-	-
Capital Projects Funds	(15,661)	5,076,918	-	-	-	-	-	-	-	-
Unassigned, reported in:										
Special Revenue Funds	-	-	(631)	(631)	(631)	(632)	-	-	-	(136,676)
Capital Projects Funds	-	-	(381,245)	-	(1,170,007)	(1,467,379)	(1,551,029)	(2,425,576)	(4,399,520)	(5,487,121)
Total All Other Governmental Funds	<u>3,559,004</u>	<u>7,220,142</u>	<u>5,816,244</u>	<u>6,311,362</u>	<u>3,087,286</u>	<u>2,449,916</u>	<u>1,838,959</u>	<u>34,935</u>	<u>(2,485,101)</u>	<u>(224,797)</u>
Total Fund Balances	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>\$ 9,810,722</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>

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

**VILLAGE OF BROWN DEER, WISCONSIN
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

**VILLAGE OF BROWN DEER, WISCONSIN
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes	#####	#####	#####	\$ 9,812,808	\$ 9,707,862	#####	#####	#####	\$ 9,968,513	#####
Intergovernmental Revenues	1,791,978	1,647,442	1,893,141	1,886,372	1,948,525	2,055,432	2,341,237	1,607,676	1,984,159	1,977,090
Licenses & Permits	497,711	424,692	461,043	544,833	548,142	654,800	586,352	501,658	500,710	526,291
Fines, Forfeits, & Penalties	239,217	252,831	263,121	250,361	220,057	289,517	390,134	442,954	520,349	609,161
Charges for Services	598,940	522,458	511,019	566,363	539,128	531,423	531,368	560,733	536,917	784,501
Public Improvement Revenues	40,832	33,068	38,684	32,202	1,288,553	36,644	74,336	52,925	59,783	43,646
Interdepartmental charges for Services	381,808	721,695	695,883	759,625	769,718	775,389	-	-	-	-
Intergovernmental charges for Services	303,416	283,829	290,537	470,582	462,741	460,779	452,568	456,856	465,702	1,453,392
Commercial Revenues	309,663	333,581	431,476	351,035	254,153	392,581	2,401,584	1,029,326	811,055	613,979
Total Revenues	#####	#####	#####	14,674,181	15,738,879	#####	#####	#####	14,847,188	16,036,991
Expenditures										
Current										
General Government	1,429,045	1,392,821	1,482,937	1,510,800	1,499,031	1,422,910	1,339,605	1,269,132	1,441,102	1,455,924
Public Safety	5,597,110	5,630,157	5,743,693	5,960,230	6,188,928	6,227,041	6,423,754	6,513,500	6,681,457	6,641,908
Public Works	2,122,608	2,252,669	2,311,414	2,039,082	2,001,991	2,033,075	1,677,917	1,627,607	1,603,540	1,942,746
Health & Human Services	736,367	700,503	716,998	998,174	885,485	950,330	759,991	834,114	858,526	904,385
Culture, Recreation & Education	1,022,048	993,127	1,084,861	979,652	946,877	928,037	994,610	1,034,835	1,005,679	1,016,192
Conservation & Development	1,185,021	293,124	849,218	707,572	544,860	511,484	3,549,271	1,092,177	507,140	443,654
Other	-	-	-	-	-	-	-	-	-	-
Capital Outlay	715,254	1,777,563	1,684,905	1,597,908	3,612,243	2,980,518	1,233,267	2,433,047	2,279,275	9,837,084
Debt Service										
Principal	668,677	1,162,915	1,644,786	1,668,039	2,606,762	1,591,879	1,646,060	2,579,852	2,052,471	2,194,598
Interest & Fiscal Charges	748,479	805,618	1,080,744	926,444	704,866	648,720	671,025	620,584	536,306	981,414
Total Expenditures	#####	#####	#####	16,387,901	18,991,043	#####	#####	#####	16,965,496	25,417,905
Excess of Revenues Over/(Under) Expenditures	(1,293,527)	(1,547,742)	(2,733,869)	(1,713,720)	(3,252,164)	(2,303,181)	(1,869,834)	(3,420,362)	(2,118,308)	(9,380,914)
Other Financing Sources/(Uses)										
Transfers In	233,485	1,296,079	255,439	312,669	297,558	287,660	306,201	305,623	285,566	300,470
Transfers Out	(13,600)	(1,056,352)	-	(31,848)	-	(90,000)	(90,632)	(90,000)	(90,000)	(90,000)
Gain/(Loss) on sale of Land	-	-	-	-	-	-	-	-	(121,298)	-
Proceeds from the sale of equipment	-	-	-	-	-	-	-	-	-	85,266
Debt										
General obligation debt issued	1,474,439	5,355,000	1,532,000	6,605,778	-	2,025,000	1,410,000	2,655,000	-	12,350,000
Premium on debt issued	5,174	-	4,473	66,063	-	39,117	-	84,856	-	-
Refunded general Obligation Debt	(375,912)	-	-	-	-	-	-	1,655,000	-	214,904
Payment of Unfunded pension liability	-	-	-	-	-	-	-	-	-	-
Payment to Fiscal Agent	-	-	-	(4,323,797)	-	-	-	(1,628,987)	-	-
Sale of Capital Assets	-	-	6,878	-	144,499	79,999	28,786	51,848	-	-
Total Other Financing Sources/(Uses)	1,323,586	5,594,727	1,798,790	2,628,865	442,057	2,341,776	1,654,355	3,033,340	74,268	12,860,640
Net Change in Fund Balances	\$ 30,059	#####	\$ (935,079)	\$ 915,145	\$(2,810,107)	\$ 38,595	\$ (215,479)	\$ (387,022)	\$(2,044,040)	\$ 3,479,726
Debt Service as a % of noncapital expenditures	10.49%	14.88%	18.21%	17.54%	21.53%	15.65%	13.58%	20.55%	17.63%	20.38%

**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
2009	711,061,000	325,208,900	29,195,400	2,100	35,959,800	1,101,427,200	7.19	1,128,003,400	97.64%
2010	631,732,000	316,076,000	28,707,500	2,000	29,048,500	1,005,566,000	7.99	1,074,804,200	93.56%
2011	632,156,200	314,500,100	28,591,300	2,000	25,822,300	1,001,071,900	8.16	1,038,140,200	96.43%
2012	552,872,916	310,728,300	28,373,100	1,900	25,567,800	917,544,016	8.85	962,776,000	95.30%
2013	550,381,100	308,353,500	29,108,900	1,900	25,815,500	913,660,900	8.95	927,162,600	98.54%
2014	550,668,800	299,329,600	27,661,000	2,000	32,821,500	910,482,900	8.99	942,430,400	96.61%
2015**	532,419,300	306,068,900	27,654,700	1,700	27,888,200	894,032,800	9.27	899,594,200	99.38%
2016	532,629,200	309,139,100	28,672,800	1,700	28,557,000	898,999,800	9.26	912,669,500	98.50%
2017	533,211,700	313,198,000	33,524,500	1,700	23,500,300	903,436,200	9.33	928,060,700	97.35%
2018	534,763,400	315,060,800	32,752,800	1,700	18,428,200	901,006,900	9.96	999,260,900	90.17%

Source: Wisconsin Department of Revenue

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Tax Year	Collection Year	Direct Rates								Overlapping Rates							Net Tax Rate
		Village of								Brown Deer			Milwaukee				
		Brown Deer	Capital Improv	Equipment Repl	Other Rev	Special Funds	Library	Debt Service	TID Incr	Total Direct	School District	rea College	Technic County	County Tax Credit	Milwaukee Metro Sewage Distr	State of Wisconsin	State Tax Credit
2009	2010	5.86	0.21	0.09	0.05	0.35	0.64	-	7.19	12.65	1.96	4.25	-	1.36	0.17	(1.98)	25.60
2010	2011	6.48	0.34	-	0.05	0.38	0.74	-	7.99	13.65	2.05	4.75	-	1.54	0.18	(2.18)	27.98
2011	2012	6.55	0.35	-	0.05	0.38	0.83	-	8.16	13.95	2.02	4.89	-	1.57	0.18	(2.19)	28.58
2012	2013	7.08	0.39	-	0.05	0.42	0.91	-	8.85	15.16	2.22	5.29	-	1.71	0.18	(2.34)	31.07
2013	2014	7.18	0.41	-	0.05	0.42	0.89	-	8.95	15.28	2.16	5.21	-	1.73	0.17	(2.32)	31.18
2014	2015	7.21	0.41	-	0.05	0.42	0.89	-	8.98	15.28	1.31	5.28	-	1.77	0.18	(2.33)	30.47
2015	2016	7.23	0.44	-	0.06	0.45	1.09	-	9.27	15.76	1.26	5.13	-	1.74	0.17	(2.68)	30.65
2016	2017	7.20	0.46	-	0.06	0.48	1.06	-	9.26	15.17	1.27	5.16	-	1.77	0.17	(2.66)	30.14
2017	2018	7.27	0.46	-	0.06	0.48	1.06	-	9.33	14.52	1.29	5.19	-	1.77	-	(2.87)	29.23
2018	2019	7.90	0.46	-	0.06	0.48	1.06	-	9.96	14.99	1.36	5.44	-	1.88	-	(2.79)	30.84

Source: Village of Brown Deer Adopted Budget

**VILLAGE OF BROWN DEER, WISCONSIN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>Type of Business</u>	2018			2009		
		<u>Total Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Brown Deer Center LLC	Property Mgmt	\$ 20,032,900	1	2.22%	\$ 26,465,900	2	2.40%
Del Norte Plaza, LLC	Property Mgmt	15,266,800	2	1.69%			
Burnham 4401 LTD	Property Mgmt	15,196,000	3	1.69%			
Brown Deer Market WI LLC	Property Mgmt	13,897,500	4	1.54%	14,494,400	5	
Beaver Creek, LLC	Property Mgmt	13,710,900	5	1.52%			
FIS (Fidelity Information Systems)	Data Processing	12,400,000	6	1.38%	20,770,300	3	1.89%
North Pointe Apartments Ltd.	Property Mgmt	11,528,000	7	1.28%	11,610,400	7	1.05%
Walmart	Retail	11,000,000	8	1.22%			
Milwaukee Riverplace LLC	Property Mgmt	10,500,000	9	1.17%			0.00%
Community Television (WITI TV 6)	Television Station	8,306,200	10	0.92%			0.00%
Lowe's	Retail				11,278,500	8	1.02%
River Place Apartments	Property Mgmt				9,000,000	10	
Brook Lane Apartments	Property Mgmt	-			12,614,300	6	1.15%
Mutual Savings Bank	Financial Institution				10,212,400	9	0.93%
Deer Run Apartments	Property Mgmt				15,956,900	4	1.45%
Brown Deer Business Park-WI TWO, LLC	Property Mgmt				29,107,800	1	2.64%
Total		\$ 81,342,600		14.63%	\$ 135,045,000		12.53%

(a) Based on total Assessed Value

2009	1,101,427,200
2017	901,006,900

Source: 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
2009	2010	\$ 8,764,224	\$ 8,746,849	99.80%	\$ 12,845	\$ 8,759,694	99.95%
	2010	8,788,023	8,779,240	99.90%	6,240	8,785,480	99.97%
	2011	9,305,950	9,301,960	99.96%	2,931	9,304,891	99.99%
	2012	9,102,050	9,099,106	99.97%	1,803	9,100,909	99.99%
	2013	9,201,537	9,042,583	98.27%	1,803	9,044,386	98.29%
	2014	9,032,950	8,884,494	98.36%	1,537	8,886,031	98.37%
	2015	9,301,172	9,198,977	98.90%	5,554	9,204,531	98.96%
	2016	9,299,564	9,151,457	98.41%	64,118	9,215,575	99.10%
	2017	9,377,121	9,027,285	96.27%	13,062	9,040,347	96.41%
	2018	10,322,548	*	0.00%	*	*	0.00%

* Note : Data for the 2019 Collection Year is not yet available.

**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
2009	\$ 18,876,538	\$ 30,797	\$ 18,845,741	\$ 1,128,003,400	1.67%	11,720	\$ 1,608
2010	22,641,828	17,009	22,624,819	1,074,804,200	2.11%	11,690	1,935.40
2011	23,807,985	21,766	23,786,219	1,038,140,200	2.29%	11,999	1,982.35
2012	24,758,575	104,491	24,654,084	962,776,000	2.56%	12,065	2,043.44
2013	22,140,050	58,465	22,081,585	927,162,600	2.38%	12,086	1,827.04
2014	24,407,619	59,182	24,348,437	942,430,400	2.58%	12,102	2,011.93
2015	23,545,164	11,568	23,533,596	899,594,200	2.62%	12,217	1,926.30
2016	24,479,182	96,715	24,382,467	912,669,500	2.67%	12,102	2,014.75
2017	22,041,710	102,823	21,938,887	928,060,700	2.36%	12,340	1,777.87
2018	33,467,114	(136,652)	33,603,766	999,260,900	3.36%	12,011	2,797.75

**VILLAGE OF BROWN DEER, WISCONSIN
RATIO 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				
2009	\$ 14,021,655	\$ -	\$ 1,007,155	\$ -	\$ 4,854,884	\$ -	19,883,694	1.96%	\$ 1,697
2010	18,272,424	-	983,202	-	4,369,405	-	23,625,031	1.77%	2,021
2011	18,228,206	-	914,633	-	4,665,146	-	23,807,985	2.06%	1,984
2012	19,571,639	-	862,093	-	4,920,223	-	25,353,955	2.39%	2,101
2013	17,039,677	-	787,293	-	4,313,080	-	22,140,050	2.02%	1,832
2014	17,551,163	-	708,928	-	6,046,685	-	24,306,776	2.89%	2,008
2015	18,024,031	-	629,673	-	5,521,133	-	24,174,837	2.55%	1,979
2016	18,144,655	-	549,527	-	5,785,000	-	24,479,182	2.70%	2,023
2017	16,285,000	-	466,712	-	5,290,000	-	22,041,712	2.31%	1,786
2018	26,780,000	-	382,114	-	6,305,000	-	33,467,114	*	2,786

Source: Wisconsin Departments of Revenue and Administration

* Note : Data for 2018 Personal Income is not yet available.

**VILLAGE OF BROWN DEER, WISCONSIN
LEGAL DEBT MARGIN
LAST TEN YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Equalized Value of Real and Personal Property	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
General Obligation Debt Limit	56,400,170	53,740,210	51,907,010	48,138,800	46,358,130	47,121,520	44,979,710	45,633,475	46,403,035	49,963,045
Five (5) Percent of Equalized Valuation per Section 67.03 of the Wisconsin Statutes										
Amount of Debt Applicable to Debt Limitation:										
General Obligation Bonds/Notes	18,876,538	22,641,828	23,807,985	24,758,575	22,140,050	24,407,619	23,545,164	24,479,182	22,041,710	33,467,114
Less: Amount Available for Financing GO Debt	30,797	17,009	21,766	104,491	58,465	59,182	11,568	96,715	102,823	(136,652)
Net O/S GO Debt Applicable to Debt Limitation	18,845,741	22,624,819	23,786,219	24,654,084	22,081,585	24,348,437	23,533,596	24,382,467	21,938,887	33,603,766
Legal margin for New Debt	\$ 37,554,429	\$ 31,115,391	\$ 28,120,791	\$ 23,484,716	\$ 24,276,545	\$ 22,773,083	\$ 21,446,114	\$ 21,251,008	\$ 24,464,148	\$ 16,359,279
Total net debt applicable to the limit as a percentage of debt limit	33.41%	42.10%	45.82%	51.21%	47.63%	51.67%	52.32%	53.43%	47.28%	67.26%

**VILLAGE OF BROWN DEER, WISCONSIN
COMPUTATION OF DISTRICT, OVERLAPPING, AND UNDERLYING DEBT
LAST TEN YEARS**

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Village</u>	<u>Amount Applicable to Village</u>
Village	\$ 33,467,114	100%	#####
Milwaukee Area Technical College	103,545,000	1.34%	1,387,503
Milwaukee County	565,000,000	1.65%	9,322,500
Brown Deer School District	26,276,000	100%	26,276,000
Milwaukee Metropolitan Sewage District	815,623,687	1.68%	13,702,478
Total Overlapping	<u>1,510,444,687</u>		<u>50,688,481</u>
Total Direct and Overlapping Debt	<u>\$ 1,543,911,801</u>		<u>#####</u>

Source: Prior year's Village Bond Issuance

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

**VILLAGE OF BROWN DEER, WISCONSIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Adjusted Gross Income</u>	<u>Adjusted Gross Income per Return</u>			<u>Annual Average Unemployment Rates</u>	
			<u>Village of Brown Deer</u>	<u>Milwaukee County</u>	<u>State of Wisconsin</u>	<u>Milwaukee County</u>	<u>State of Wisconsin</u>
2009	11,720	\$ 247,895,969	\$ 45,670	\$ 41,704	\$ 45,370	9.30%	8.50%
2010	11,690	246,836,267	46,485	41,932	46,958	10.00%	8.70%
2011	11,999	226,111,060	46,320	42,830	47,640	9.30%	7.80%
2012	12,065	205,897,980	45,630	44,460	49,900	8.60%	7.00%
2013	12,090	213,382,780	46,510	45,620	50,670	8.40%	6.70%
2014	12,160	209,394,290	47,480	45,980	52,050	6.90%	5.40%
2015	12,217	216,378,266	47,935	48,533	54,227	5.80%	4.60%
2016	12,305	214,414,192	47,343	49,692	55,267	5.00%	4.00%
2017	12,340	229,213,523	48,114	50,516	56,698	3.00%	3.30%
2018	**	**	**	**	**	**	**

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

**Data not yet available for 2018

**VILLAGE OF BROWN DEER, WISCONSIN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	2009			2018		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
FIS (Fidelity Information Systems)	Data Processing	1,125	1	0.25%	900	1	0.20%
Signicast	Manufacturer of Ferrous investment castings	644	2		685	2	0.15%
Badger Meter	Water Meter Manufacturing	530	4	0.12%	530	3	0.12%
MILSCO Manufacturing	Manufacturer of Office Chairs	495	5		481	4	0.11%
YMCA (Young Men's Christian Association) *	Civil & Social Organizations	340	7	0.08%	340	5	0.08%
Rite Hite Corporation (Hdqtrs)	Manufacturers of mechanical & hydraulic lifts	334	8		240	6	0.05%
Brown Deer Public Schools	Elementary & Secondary Schools	222	9		222	7	0.05%
New World Communications/TV 6	Television Broadcasting	210	10	0.05%	210	8	0.05%
Village of Brown Deer	Government				175	9	0.04%
U Line Corp *	Household Refrigerator Manufacturing	-		0.00%	175	10	0.04%
M&I Support Services Corp *	Commercial Banking	375	6	0.08%			
Guaranty Bank *	Savings Institutions	580	3	0.13%			
Total		<u>4,855</u>		<u>0.70%</u>	<u>3,958</u>		<u>0.89%</u>

Source: Wisconsin Department of Workforce Development

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
VARIOUS STATISTICS
LAST TEN YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Village Employees										
General Government										
Village Manager	3	3	3	2	3	3	3	3	3	3
Administration	5	5	5	5	4	4	4	4	5	5
Court	2	2	2	1	2	2	2	2	2	2
Health	7	7	6	8	8	8	8	8	8	8
Library	18	16	13	14	14	16	9	7	7	8
Parks and Recreation	3	3	2	3	3	3	3	3	2	2
Water Utility	3	3	3	2	2	2	2	2	2	2
Public Works	12	12	11	10	12	12	13	12	12	12
Public Safety										
Police	37	36	33	34	33	35	35	35	35	37
Community Services										
Engineering	3	3	2	2	2	2	2	2	2	2
Inspection/Maintenance	3	3	2	2	2	2	3	3	3	3
Total	96	93	82	83	85	89	84	81	81	84
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	6	6	6	6	6	6	6	6	6	6
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	54	54	54	54	54	54	54	54	54	54
Parks & Recreation										
Number of Parks	3	3	3	3	3	3	3	3	3	3
Acreage of parkland	17	17	17	17	17	17	17	17	17	17
Water Utility										
Miles of Water Main	68	68	68	68	68	68	68	68	68	68
Number of Hydrants	671	671	671	672	672	672	676	676	676	680
Daily Average Consumption (gallons)	1,297,893	1,260,553	1,369,148	1,442,126	1,119,688	1,250,000	1,500,000	1,177,260	1,108,000	1,160,000
Wastewater Utility										
Miles of Sanitary Sewer	51	51	51	53	53	53	53	53	53	53
Miles of Storm Sewer	10	10	10	16	17	17	17	17	17	17

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

**VILLAGE OF BROWN DEER, WISCONSIN
OPERATING INDICATORS BY PROGRAM/FUNCTION
LAST TEN YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Calls for Service	*	*	*	*	15,086	13,250	13,515	14,254	15,562	14,928
Cases Generated	*	*	*	*	*	*	1,760	1,935	-	-
Parking Citations	886	1,268	800	1,076	1,112	841	1,094	1,388	1,672	1,668
Enforcement Actions										
Traffic Related	4,767	3,719	4,361	3,566	4,094	3,075	4,336	4,248	4,502	4,942
Ordinance	*	*	*	*	*	*	805	728	648	947
Custodial Arrest	*	*	*	*	*	*	723	924	-	-
Traffic Citations	*	*	*	*	*	*	*	*	*	4,510
Traffic Warnings	*	*	*	*	*	*	*	*	*	2,546
Total Arrests	*	*	*	*	*	*	*	*	*	2,726
General Government										
Building Permits Issued	328	209	206	170	242	257	258	254	251	251
Library										
Registered Users	7,370	7,714	8,011	8,322	8,634	8,950	9,212	6,997	6,626	6,773
Circulation Transactions	247,649	241,399	222,383	218,980	198,645	195,278	184,827	174,470	163,314	176,002
Park and Recreation										
Recreation Programs	112	101	100	95	90	95	98	75	92	118
Recreation Program Registration	2,686	2,421	3,003	2,577	1,935	1,959	2,256	2,226	2,165	2,016
Pond Attendance	7,048	9,391	9,215	10,375	6,115	4,862	5,855	6,453	6,106	5,467
Water Utility										
Number of Customers	3,817	3,825	3,829	3,736	3,739	3,735	3,731	3,743	3,751	3,771
Gallons Sold (millions)	428,322	425,090	427,673	469,538	408,686	411,828	410,770	429,700	404,000	422,930
Public Fire Protection Serv Customers	3,562	3,571	3,575	3,579	3,580	3,586	3,585	3,592	3,594	3,594
Private Fire Protection Serv Customers	**	**	**	**	**	**	**	128	129	129
Northshore Health Department										
Blood Pressure Screenings	195	123	132	267	65	73	206	254	249	263
Immunizations	623	598	682	772	883	658	761	604	622	753
Restaurant Inspections	87	78	80	130	116	154	147	106	336***	329

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

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

* Not Previously Reported

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