

**VILLAGE OF  
GERMANTOWN, WISCONSIN**  
Comprehensive Annual Financial Report  
Fiscal Year ending December 31, 2015



Prepared by the Village Administrator and Finance Director

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
VILLAGE OF GERMANTOWN, WISCONSIN**  
As of and for the Year Ended December 31, 2015

DEPARTMENT ISSUING REPORT

Prepared by Village Administrator and Finance Department  
Member of the Government Finance Officers Association of the United States  
and Canada

# VILLAGE OF GERMANTOWN

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June 29, 2016

To: Citizens of the Village of Germantown  
Members of the Board of Trustees

The *Comprehensive Annual Financial Report* for the Village of Germantown, Wisconsin for the fiscal year ending December 31, 2015, is prepared to provide the Board, our citizens, our bondholders, and other interested persons, detailed information concerning the financial condition of the Village government. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the village government. The report was prepared by the Village's Administration and Finance departments and contains representations concerning the finances of the Village. We believe the data, as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Village as measured by financial activity of its various funds; and that all disclosures necessary to enable the reader to gain reasonable understanding of its financial affairs have been included.

The Village retained the services of Baker Tilly Virchow Krause, LLP to perform its audit. Based upon standard audit procedures, Baker Tilly Virchow Krause, LLP has issued an unmodified opinion on the Village's financial statements for the year ended December 31, 2015. The auditor's opinion is located at the front of the financial section of this report.

### **Report Format**

The *Comprehensive Annual Financial Report* is presented in three main sections: introductory, financial and statistical. The introductory section contains this transmittal letter, the Village's organizational chart, a list of principal officials, and other information. The financial section contains the independent auditors report, management's discussion and analysis (MD&A), government-wide financial statements, notes to the financial statements and more detailed fund financial statements. A third section provides selected statistical and general information presented on a multi-year comparative basis.

### **Reporting Entity**

This report includes all funds of the Village of Germantown. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the General Fund, which accounts for the general administration of the Village, Special Revenue funds relating to Economic Development, and long-term Capital Projects funds and Internal Service Funds. The report also includes the Village's Enterprise funds that account for the Water and Wastewater Utilities. Internal service funds provide information on the health and dental protection plans of the Village's employees.

## **Village Profile**

Located 25 miles northwest of Milwaukee, Germantown encompasses 34 square miles in the southeast corner of Washington County. Germantown is one of the largest villages in geographical area in the State of Wisconsin. The Village's current population, as of the 2010 census is 19,749, a 9.3% increase over the prior ten year's period. The 2015 estimated population is 19,972. It operates under a council-manager form of government. There are nine members on the Germantown Village Board. Eight of the members are elected from four trustee districts and the Village President is elected at large. Board members are elected to three-year terms. The appointed Village Administrator is responsible for the day-to-day operations of the Village, the appointment of administrative staff members, and the supervision of all employees.

The area offers a pleasing, small-town character enhanced by all the modern amenities of a first class suburb. Germantown residents take advantage of exceptional schools, modern healthcare providers, attractive real estate, well-maintained parks and facilities as well as a fantastic medley of unique shops and local restaurants. While the village has worked hard to provide its residents with the finest in big-city conveniences, it has worked equally hard to maintain its rich German heritage and beautiful architecture. Germantown ranked #37 in Money Magazine's Best Places to Live 2015.

The Village provides typical municipal services including: police, fire, emergency dispatch and ambulance services; public works activities such as highway and street maintenance, and recycling; recreational activities such as parks, recreation programs, public library and senior activity center; community development activities including planning and zoning enforcement, economic development, and general administrative and financial services. The Village operates a Water and Wastewater Utility as enterprise funds.

## **Accounting Systems and Budgetary Control**

The Village's accounting records for governmental and agency funds are based upon the modified accrual basis, with revenues recorded when available and measurable and expenditures recorded when the services and goods are received and the liabilities incurred. Accounting records for the Village's utilities are maintained on an accrual basis.

In developing the Village's overall accounting system, consideration was given to the adequacy of the internal accounting control structure. Internal controls are designed to provide reasonable but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial resources for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgements by management. We believe that the Village's internal accounting controls adequately safeguard assets and provides reasonable assurance of proper recording of financial transactions.

Village Board policy provides for adoption of an annual budget prepared by management. The budget, as adopted by the Board, is intended to appropriate expenditures on a program or functional basis. The Village Administrator is granted authority to make mid-year adjustments within budgeted accounts of a department. Budget amendments which change a departmental budget appropriation or are transfers between departments or funds must be approved by a 2/3 majority of the Village Board.

In 2015 the Village Board updated their Fund Balance Policy to establish a minimum unassigned Fund Balance. It states that the Village will maintain a minimum unassigned fund balance in its General Fund ranging from 16% to 25% of the subsequent year's budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. The 2015 unassigned fund balance is 26%.

### **Economic Conditions and Outlook**

The Village's \$2.4 billion tax base is primarily residential (67.5% of equalized value in 2015) but it has a sizeable commercial (21.7%) and manufacturing (9.9%) presence also. The Village had forty new single family housing starts, six new commercial/industrial permits, with a total of 554 building permits in 2015. The number is down from the 607 permits in 2014, mostly due to the build out of the Blackstone Creek Subdivision. The Village's overall equalized value increased by 5.37%, following an increase of 3.69% the previous year. The average Unemployment rate for Washington county is 3.4%, which is lower than the Wisconsin State average of 4.2% at year end. The use of a variety of financing tools such as impact fees, tax incremental financing incentives, and close partnerships with local business, the Village is preparing for a robust economic future. We have been able to balance the community with a mixture of agricultural, residential, commercial and industrial/office development. Germantown's fine school system and parks and recreational activities is also helpful in acquiring and keeping our residential base.

Tax Incremental District No. 4 (Germantown Business Park) had its Project Plan amended in 2011 to include cash grants (development incentives) to owners, lessees or developers of land located within the district. This change was instrumental in additional sales of land and construction of Airgas Inc.'s nearly 400,000 square foot distribution center and office in 2014. The full valuation of these additions will positively impact our valuation for years to come. The park is essentially fully built. The Village's two other Tax Incremental Finance Districts, No. 3 and No. 5, have performed exceptionally well and were closed in 2013. TID No. 3 was the Village's industrial park and TID No. 5 was a remediation TID within a major retail center. The closing of the Districts added \$84,378,850 of valuation to the tax base.

In 2014, the Village adopted Tax Incremental District No. 6 (TID 6). The Village anticipates total eligible project expenditures of approximately \$9.6 million dollars. The expenditure period in which the village is required to expend funds, as set out in the Project Plan, is fifteen years. Any expenditures after fifteen years will not be eligible to be financed out of the TID funds. As a result of the creation of this District, the Village projects that new development, redevelopment and appreciation in the value of existing properties will add approximately \$41 million dollars in assessed value. This District is zoned as a Mixed Use District which means that at least 50% of the area, of the real property within the District, is suitable for a combination of industrial and commercial uses. The goal of the District is to increase the tax base and to provide for and preserve employment opportunities within the Village. The District is bounded by Appleton Avenue, Lannon Road, and Maple Road. Earthwork started in the new Business Park in May of 2016 and underground utility infrastructure and roads will be completed by the end of summer 2016. The property within the District that will be sold for development will not be owned by the Village. The property is under private ownership until sold to a commercial or industrial entity. The Village has partnered with MLG Commercial who is marketing the property within the District. The estimated saleable property of the District is fifty-two acres.

The Village continues to follow basic short-term and long-term planning policies. The Village's philosophy strives for manageable conservative budgets that allow for stable financial futures, keeping taxes and utility user rates as low as possible while guaranteeing that funds will be available to protect village infrastructure and services. The Village board is committed to maintaining a positive General Fund balance. This positive balance provides the Village with a cushion for unanticipated emergencies. The Village continues to trim expenditures and consolidate operations.

By necessity, long range planning includes assessment of future debt issuance in conjunction with current debt service requirements. Village debt policies are designed to comply with requirements of Wisconsin State Statutes and bond covenants, while maintaining the highest bond rating possible. Management reviews capital planning and resultant bond issuance in light of resources on hand and the effect on future cash flows. The Village maintains a solid Aa2 general obligation bond rating from Moody's Investors Service, based upon its healthy fund balance, conservative financial management and aggressive debt repayment schedules.

Germantown has planned for "smart growth" through the development of a 2020 Land Use Plan. One of Wisconsin's first communities to develop a 2020 Smart Growth Plan, our dedication to this comprehensive planning process shows the level of importance we place on planning future infrastructure and zoning classifications. This plan is an example of responsible public management by our citizens, elected officials and staff.

As in the past several years, development in the Village, be it residential, commercial, or industrial in nature, has been of the high quality necessary to provide the diversified tax base and tax rate necessary to provide services expected by the residents of Germantown. The Village of Germantown intends to maintain an adequate financial reserve in addition to a low tax rate so as to provide the citizen's excellent municipal services.

### **For the Future**

The Village Board has approved a 20-year capital improvement plan. Working through the Public Works, Public Safety and Finance Committee's, the Village of Germantown created a plan for equipment replacement, building upgrades, and new infrastructure additions as well as a financial plan that allows funding for these assets with the least amount of impact on the tax rates.

The Village Plan Commission, working with staff, began the process of reviewing and updating the Village's 2020 Land Use Plan for the northern half of the Village. The initial focus of their effort has been the Hwy 41/45 Corridor. The Plan Commission will also be evaluating current and exploring new policies that will help guide development along that corridor while addressing how best to leverage and maintain the rural character north of Freistadt Road. The Plan Commission conducted a community survey regarding these issues and is using that feedback when considering the type, amount and density of future development in these areas.

**Vision Statement:** Germantown's ethnic heritage, high quality of life based on its rural and suburban character, and desirable location in the greater metropolitan area create our competitive advantage. Our people will work together, with respect for each other, to ensure that development is consistent with Germantown's future as a neighborly and safe place to live, work and play.

**Mission Statement:** The Village of Germantown is responsive to our citizens and businesses, embracing our heritage while working together to provide quality services in a fiscally responsible manner that will enhance the quality of life in our community.

## **INDEPENDENT AUDIT**

Included in the financial section is the independent auditor's report which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Baker Tilly Virchow Krause, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unmodified and signifies a substantial level of achievement.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Immediately following the independent auditor's report is *Management's Discussion and Analysis* which provides a narrative introduction, overview, and analysis of the basic financial statements.

## **REPORTING ACHIEVEMENT**

### **GFOA Certificate of Achievement**

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 Germantown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. This was 27 consecutive years that the government 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. A Certificate of Achievement is valid for a period on one year only.

## **Acknowledgments**

The preparation of this report was made possible by the dedicated services of the entire staff of the Village of Germantown Finance Department and Administration, and the advice of the Village's independent auditors, Baker Tilly Virchow Krause, LLP. Appreciation is expressed to Village employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

Respectfully submitted,



Kim E. Rath  
Finance Director



David R. Schornack  
Village Administrator



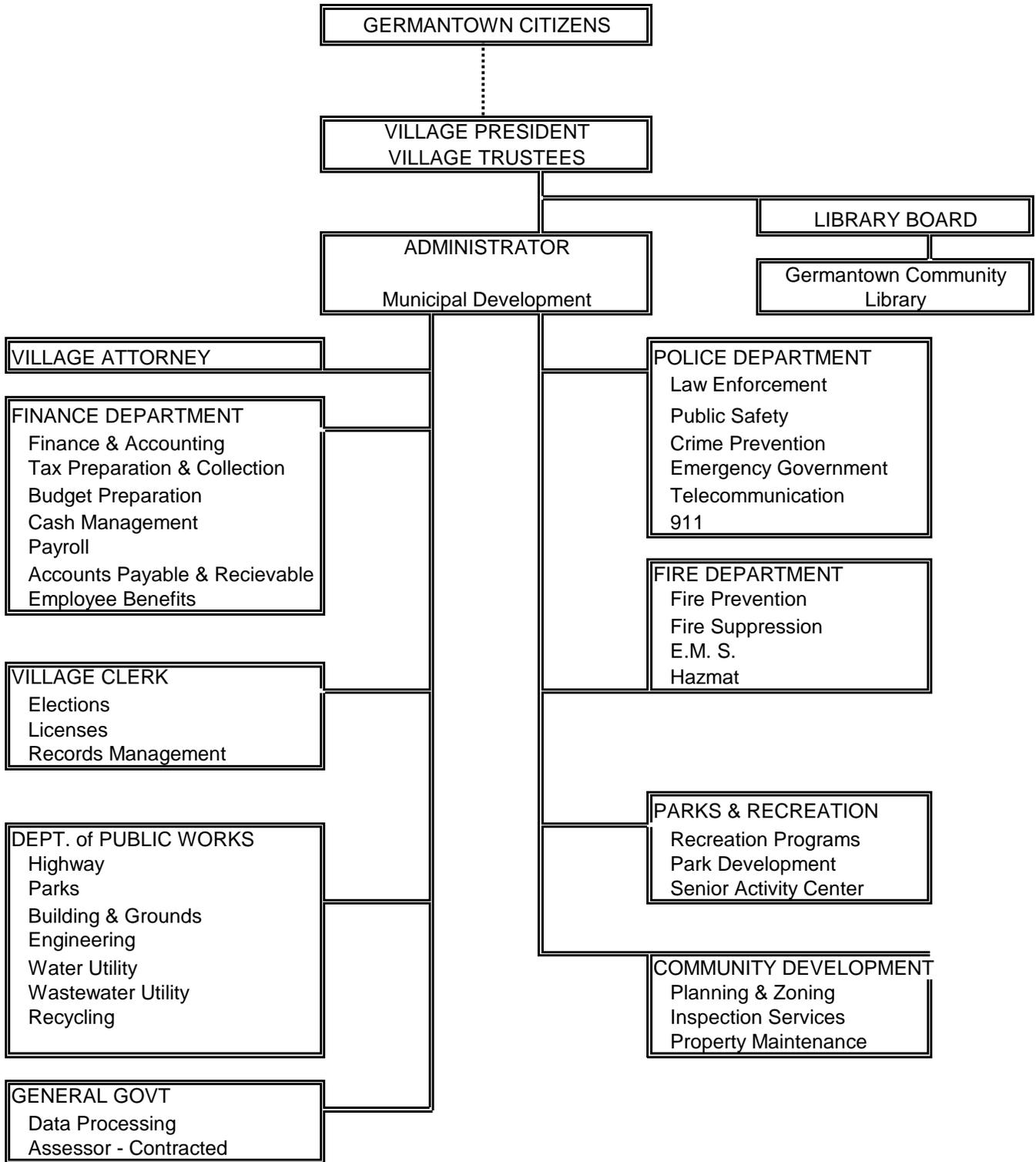
**LIST OF PRINCIPAL OFFICIALS as of December 31, 2015**  
***ELECTED OFFICIALS***

TITLE	NAME
Village President	Dean Wolter
Village Trustee - District 1	David Baum
Village Trustee - District 1	Terri Kaminski
Village Trustee - District 2	Shane Daniels
Village Trustee - District 2	Rick Miller
Village Trustee - District 3	Robert Warren
Village Trustee - District 3	Dennis Myers
Village Trustee - District 4	Arthur Zabel
Village Trustee - District 4	Jeffrey Hughes

***APPOINTED OFFICIALS***

Village Administrator	David R. Schornack
Village Attorney	Brian Sajdak; Wesolowski, Reidenbach & Sajdak SC
Village Assessor - Contract Service	Accurate Appraisal
Village Clerk	Barbara K.D. Goeckner
Finance Director/Treasurer	Kim E. Rath
Community Development/Planning & Inspection	Jeffrey W. Retzlaff
Director of Public Works	Lawrence Ratayczak
Village Engineer	Open
Police Chief	Peter Hoell
Fire Chief	Gary Weiss
Library Director	Roberta M. Olson
Recreation Director	Mark Schroeder
Police & Fire Commission Chairperson	Open
Park & Recreation Commission Chair	Tony Laszewski
Library Board President	Joyce Nelson

# VILLAGE OF GERMANTOWN ORGANIZATIONAL CHART







Government Finance Officers Association

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

Presented to

**Village of Germantown  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

## **Brief History of the Village of Germantown**

The Village of Germantown is located in southeastern Wisconsin, in the southeastern corner of Washington County. The City of Mequon, in Ozaukee County, borders the Village on the east, and the Village of Menomonee Falls, in Waukesha County, borders it on the south. The Village is contiguous with the City of Milwaukee and Milwaukee County at its southeast corner. In Washington County, the Town of Jackson borders it to the north, and the Village of Richfield shares its western border. At 35 square miles, the Village of Germantown is one of the largest village's in geographical area in the State of Wisconsin.

The Village's current population is estimated to be 19,972. A majority of its residential, commercial and industrial development is concentrated in the suburban-like south-central third of the village. It is in this portion, served by the Milwaukee Metropolitan Sewerage District (MMSD), and supplied with water by municipal wells, that most of Germantown's development has occurred.

The half of the village north of Freistadt Road is rural in nature, and is predominately agricultural. Although it is outside the MMSD sewer service area and not currently on municipal water, new residential development has been emerging. Our new Land Use Plan's determination of one home/ five acreage density has attracted some subdivisions and parcel splits.

In 1839, a group of German immigrants, seeking greater religious freedom and the promise of rich, abundant farmland, founded the settlement of Freistadt (translated "Free City") just east of the present day Village of Germantown. Today, Freistadt Road bisects the Village of Germantown from east to west. In 1839, Anton Wiesner and Levi Ostrander became the first permanent settlers in the Town of Germantown. By 1845, all of the Town of Germantown had been taken for homesteads, mostly by German immigrants. Germantown remained primarily a rural agricultural community up until the last few decades.

On 11 March 1927 South Germantown became the Village of Germantown. Eleven citizens of South Germantown had petitioned the Washington County Circuit Court for incorporation of 300 acres in section 22. The petitioners were: Father Banholzer, Adam Diefenthaler, Benn C. Duerrwaechter, Alvin Gronemeyer, Edward Rintelman, Joe Rosecky, Arthur Schmidt, Charles A. Schuster, John A. Schwalbach, Joseph J. Siegl, and Aaron Walterlin. Population of South Germantown, now Germantown, was 243

The Village of Germantown was incorporated at the Fond du Lac Avenue and Main Street area. In the early 1960's, the City of Milwaukee annexed 15 acres in the southeastern corner of the Town of Germantown. Fears over further annexations prompted the Town of Germantown to merge with the smaller Village of Germantown in 1964. Most of the Town of Germantown, except for four small "islands" totaling approximately two square miles in the northwestern portion, was included in the merger.

The Village operates under a council-manager form of government. Under this form of government, a nine member Board of Trustees is elected to exercise the legislative power of the Village and to determine matters of policy. All are elected to three year terms. The Village President, who is elected at large, is the trustee who presides at all Village Board meetings and votes on all matters. The Village President has no veto power. A Village Administrator is appointed by the Village Board to serve as manager. The administrator is the chief administrative officer and is responsible to the Board of Trustees for the proper administration of all Village affairs.

**INDEPENDENT AUDITORS' REPORT**

To the Village Board  
Village of Germantown  
Germantown, 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 Germantown, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village of Germantown'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 of Germantown'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 of Germantown'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.

To the Village Board  
Village of Germantown

### ***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 Germantown, Wisconsin, as of December 31, 2015 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 I, the Village of Germantown adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are 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 required supplementary information 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Germantown's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Village Board  
Village of Germantown

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Germantown's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

*Baker Tilly Vinchow Krause, LLP*

Madison, Wisconsin  
June 29, 2016

# VILLAGE OF GERMANTOWN

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2015 (unaudited)

Management's Discussion and Analysis provides management's overview and analysis of the Village's basic financial statements for the year ended December 31, 2015. This discussion is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity and identify changes in the Village's financial position.

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### USING THIS REPORT

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This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and presents a longer-term view of the Village's finances. As for governmental activities these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statement by providing information about the most significant funds. These statements also include information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government.

### REPORTING THE VILLAGE OF AS WHOLE – Government-wide Financial Statements

One of the most important questions asked about the Village's finances is, "is the Village as a whole better off or worse than the year before?" The statement of Net Position and the Statement of Activities report information that helps answer that question. The statements include assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Village uses an accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Net Position is the difference between what the citizen's own and what the citizen's owe in liabilities at one moment in time. Over time, increases or decreases in the Village's Net Position are one indicator of whether its financial health is improving or not. Other non-financial factors play a significant role in determining the Village's overall position, such as changes in the property tax base, and the conditions of the Village's capital assets (roads, buildings, water and sewer lines, etc.)

Two types of activities are reported in the Statement of Net Position and the Statement of Activities:

Governmental activities: Includes most of the Village's basic services, such as police, fire, street maintenance, parks, library and general administration. These services are supported primarily by property taxes, state revenues and other miscellaneous revenues (inspection fees, fines, permits)

Business-type activities: Water and Wastewater services. The Village charges a fee to customers to cover most of the cost of water and sanitary sewer utility services.

## **REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS – Fund Financial Statements**

The analysis of the Village's major funds provides detailed information about the most significant funds. Some funds are required to be established by state law and bond covenants. However, the Village establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like donations). The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

### Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general operations and the basic services it provides. Governmental fund information helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Reconciliations between the government-wide statements and the governmental fund statements are provided with the fund financial statements.

### Proprietary Funds

Proprietary funds are financed and reported in a manner similar to normal business-type entities and are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information such as cash flows, for proprietary funds. The Village uses an internal service fund (the other component of proprietary funds) to report self-insurance activities.

### Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are not reflected in the government-wide financial statements. The Village maintains one fiduciary fund. It is used to record assets collected on behalf of other taxing units.

### Notes to the Financial Statements

The notes to the financial statements provide additional detail 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 begin on page 17 of this report.

### Supplementary Information

Following the basic government-wide and fund financial statements and accompanying notes, combining statements are included for the non-major governmental, enterprise and internal service funds. The last section of *The Village of Germantown Comprehensive Annual Financial Report* presents statistical and historical reference data.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Germantown, total net position was \$136 million as of December 31, 2015. The largest portion of the Village's net position (85%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. An additional portion of the Village's net position, (8%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased by \$2.34 million or 1.74 %. During 2015 the ending net position of 2014 had been restated as a result of the implementation of GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and implementation of GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date.

Condensed Statement of Net Positon (in millions of dollars)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Capital Assets	76.02	75.37	58.34	59.05	134.36	134.42
Other Assets	34.04	33.29	11.78	9.64	45.82	42.93
<b>Total Assets</b>	<b>110.06</b>	<b>108.66</b>	<b>70.12</b>	<b>68.70</b>	<b>180.18</b>	<b>177.36</b>
Deferred outflows of resources:	1.57	0.26	0.15	-	1.72	0.26
<b>Liabilities</b>						
Long-term liabilities	28.65	30.54	1.39	1.48	30.03	32.02
other liabilities	1.53	1.58	0.70	0.59	2.23	2.17
<b>Total Liabilities</b>	<b>30.18</b>	<b>32.11</b>	<b>2.08</b>	<b>2.07</b>	<b>32.26</b>	<b>34.18</b>
Deferred inflows of resources:	13.27	12.42	-	-	13.27	12.42
<b>Net Positon:</b>						
Net investment in capital assets	59.46	58.83	57.04	57.66	116.25	116.49
Restricted	10.35	10.38	0.84	0.68	11.19	11.06
Unrestricted	\$ (1.63)	(4.83)	10.31	8.28	8.93	3.45
<b>Total net position</b>	<b>68.19</b>	<b>64.38</b>	<b>68.18</b>	<b>66.62</b>	<b>136.37</b>	<b>131.00</b>
<b>Restated 2014</b>						
Add: Net pension asset		2.20		0.23		2.43
Add: Deferred outflows related to pensions		0.53		0.06		0.59
<b>Net Position - December 31, 2014 (as restated)</b>		<b>67.12</b>		<b>66.91</b>		<b>134.03</b>
<b>Total Net Positon December 31, 2015</b>	<b>68.19</b>	<b>67.12</b>	<b>68.18</b>	<b>66.91</b>	<b>136.37</b>	<b>134.03</b>

\* Footing errors are due to rounding.

## **Changes in Net Position**

During 2015 the net position of governmental activities increased by \$1.07 million to \$68.185 million. Restricted assets include \$8.13 million for two Tax Incremental Financing Districts or TIDs, (TID # 4 and TID #6), \$0.35 million for Impact Fees and library operations, \$0.52 million for debt service and a \$1.4 million pension entry due to the implementation of GASB 68 which was the major reason for the net position change. The unrestricted net position of governmental activities amounted to a negative -\$1.63 million. The negative unrestricted fund balance is a result of liabilities being greater than assets. Not all debt in the TID funds is capital related, so they are a major contributor to this negative balance. The GASB 68 pension reporting resulted in a beginning balance restatement of \$67.115 million, a change from the original 2014 CAFR of \$64.39 million. This restatement significantly reduced the unrestricted amount for 2015. These liabilities will be covered by future tax increment.

Net position of business activities totaled \$68.18 million as of December 31, 2015, \$1.26 million higher than 2014. Business-type net position totaling \$0.84 million are restricted for capital projects, operations and maintenance, and depreciation. The Village may use the unrestricted net position totaling \$10.3 million to finance continuing operations and capital projects of the utilities.

Governmental activities increased by \$1.07 million. Significant changes in revenues and expenses were as follows.

### **Revenues**

Charges for services, operating grants and capital grants combined was \$162,348 higher than 2014 due mainly to an increase in operating and capital grants and contributions, specifically from an increase in transportation aids, a DNR Tree Grant and an MMSD Matching funds payment for paving of Alt Bauer Park.

All governmental revenues other than program revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. Tax revenue was down slightly by \$81,227, mostly due to a decrease in increment for our two TID districts. The reduction in other general revenue is due to fewer land sales in our TID #4 business park. All viable lots in the business park have now been sold. Total revenue was down in 2015 by 5.9%.

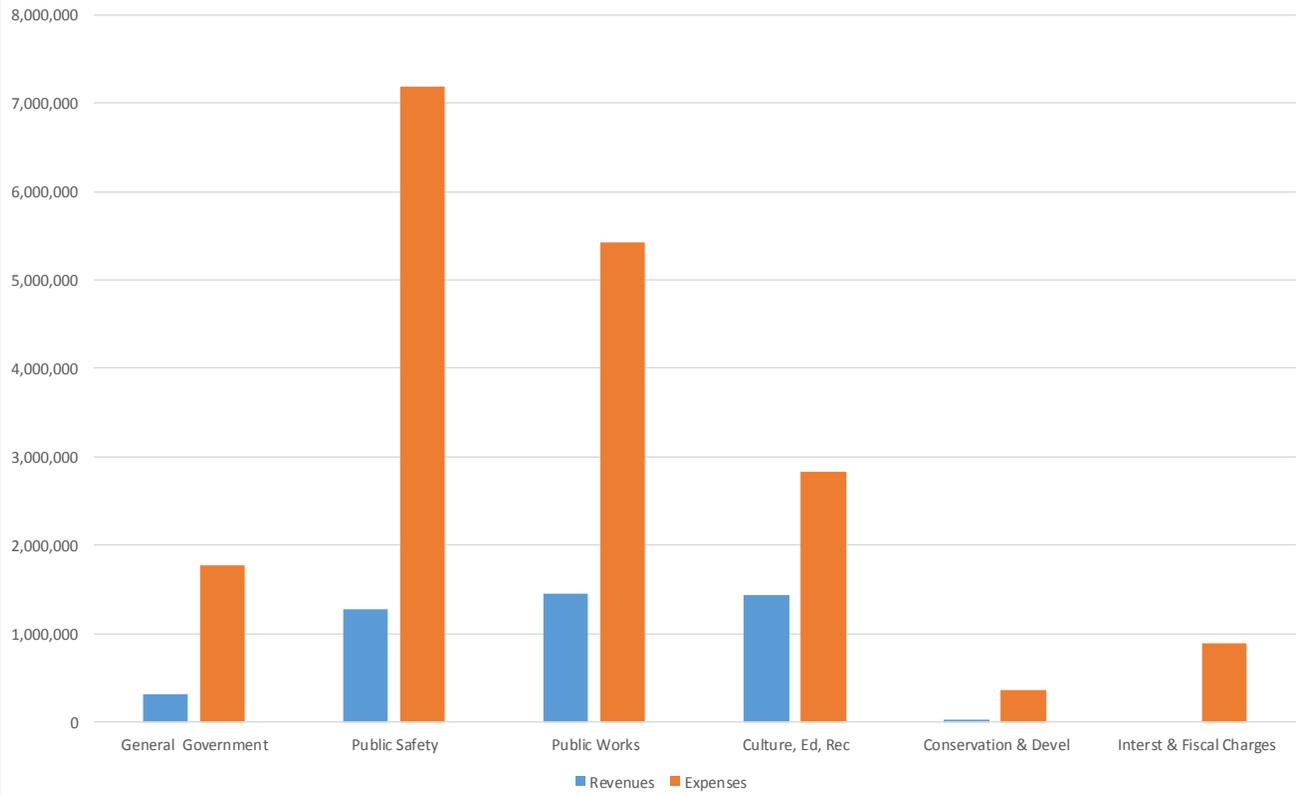
### **Expenses**

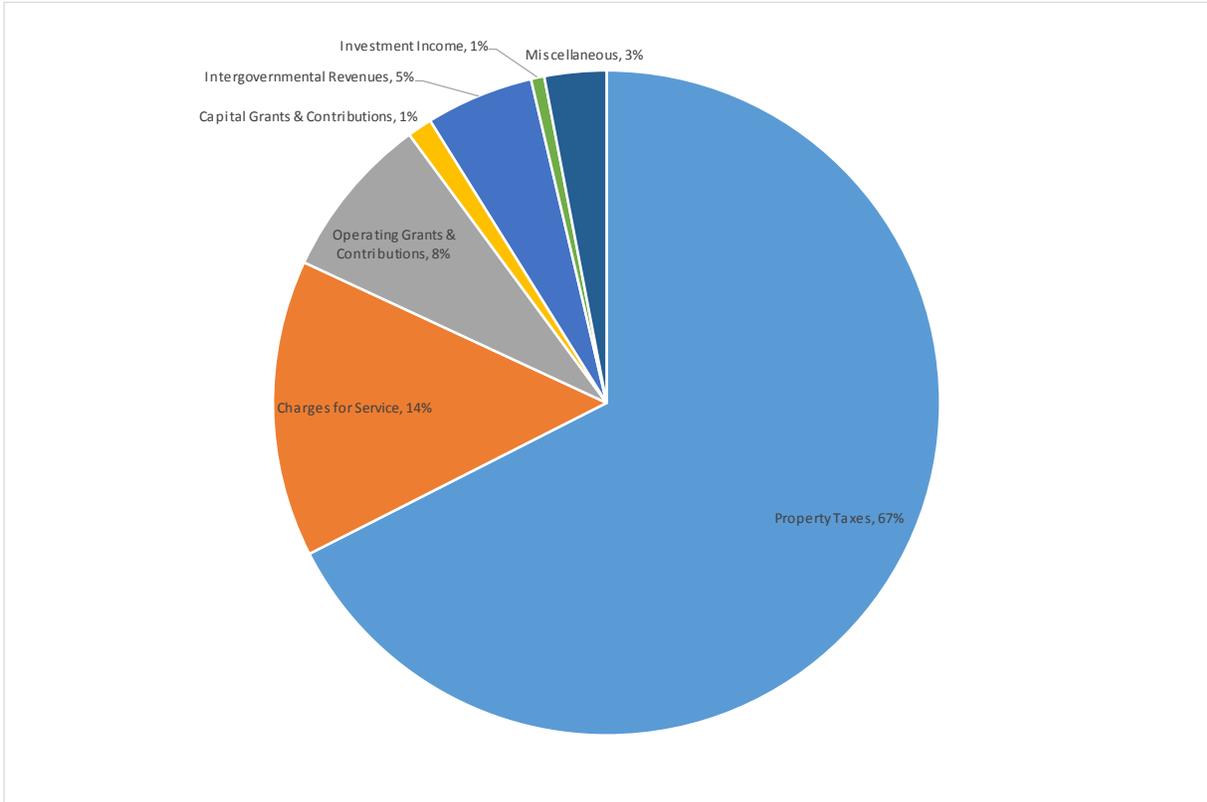
Governmental expenses totaled \$18.46 million, a decrease of \$1.67 million from 2014. The majority of the decrease is due to a large developer incentive to our TID#4 Business Park recorded in 2014 under conservation and development.

<b>Changes in Net Position</b>						
<b>(in millions of dollars)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>						
<b>Program Revenues</b>						
Charges for services	2.75	2.75	9.37	8.10	12.11	10.85
Operating grants and contributions	1.52	1.47	-	-	1.52	1.47
Capital grants and contributions	0.23	0.11	0.35	0.93	0.58	1.04
<b>General Revenues:</b>						
Property Taxes	12.83	12.91	-	-	12.83	12.91
Intergovernmental revenues	0.99	0.95	-	-	0.99	0.95
Investment income	0.12	0.14	0.05	0.04	0.17	0.18
Other	0.57	1.87	-	-	0.57	1.87
<b>Total revenues</b>	<b>19.00</b>	<b>20.19</b>	<b>9.76</b>	<b>9.07</b>	<b>28.76</b>	<b>29.26</b>
						-
<b>Expenses:</b>						-
General government	1.77	1.72	-	-	1.77	1.72
Public safety	7.19	7.37	-	-	7.19	7.37
Public works	5.42	5.29	-	-	5.42	5.29
Culture and recreation	2.82	2.91	-	-	2.82	2.91
Conservation and development	0.37	2.09	-	-	0.37	2.09
Interest and fiscal charges	0.89	0.75	-	-	0.89	0.75
Water Utility	-	-	1.94	2.09	1.94	2.09
Sewer Utility	-	-	6.03	5.57	6.03	5.57
<b>Total expenses</b>	<b>18.46</b>	<b>20.13</b>	<b>7.97</b>	<b>7.66</b>	<b>26.43</b>	<b>27.80</b>
<b>Increase (decrease) in net position</b>	<b>0.54</b>	<b>0.06</b>	<b>1.80</b>	<b>1.40</b>	<b>2.34</b>	<b>1.46</b>
<b>Transfers</b>	<b>0.53</b>	<b>0.53</b>	<b>(0.53)</b>	<b>(0.53)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>1.07</b>	<b>0.59</b>	<b>1.27</b>	<b>0.87</b>	<b>2.34</b>	<b>1.46</b>
Net position, beginning of year (as restated)	67.12	64.39	66.92	66.63	134.03	131.01
Prior period adjustment		2.73		0.29		3.02
<b>Net Position, end of year</b>	<b>68.19</b>	<b>67.12</b>	<b>68.18</b>	<b>66.92</b>	<b>136.37</b>	<b>134.03</b>

\* Footing errors are due to rounding.

### Program Revenue and Expenses Governmental Activities

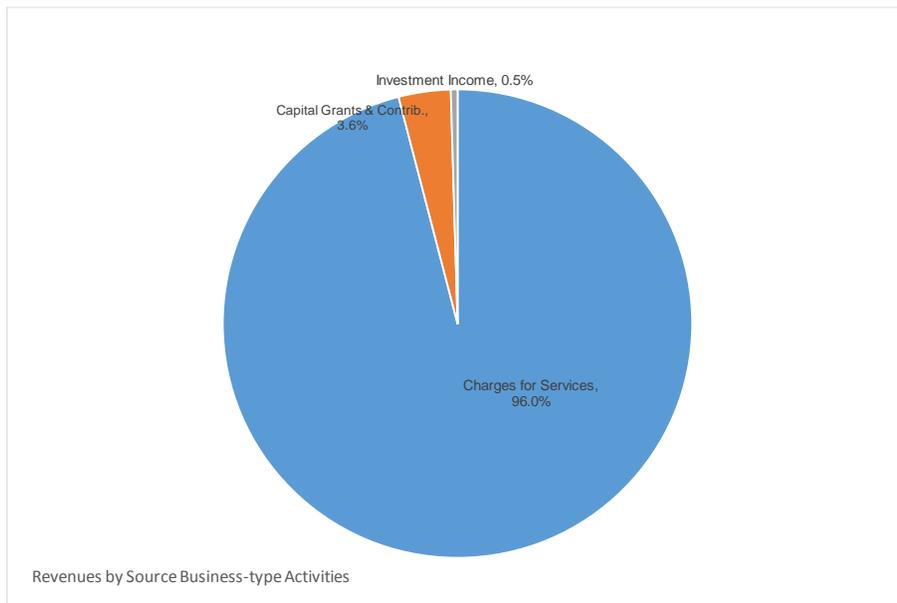
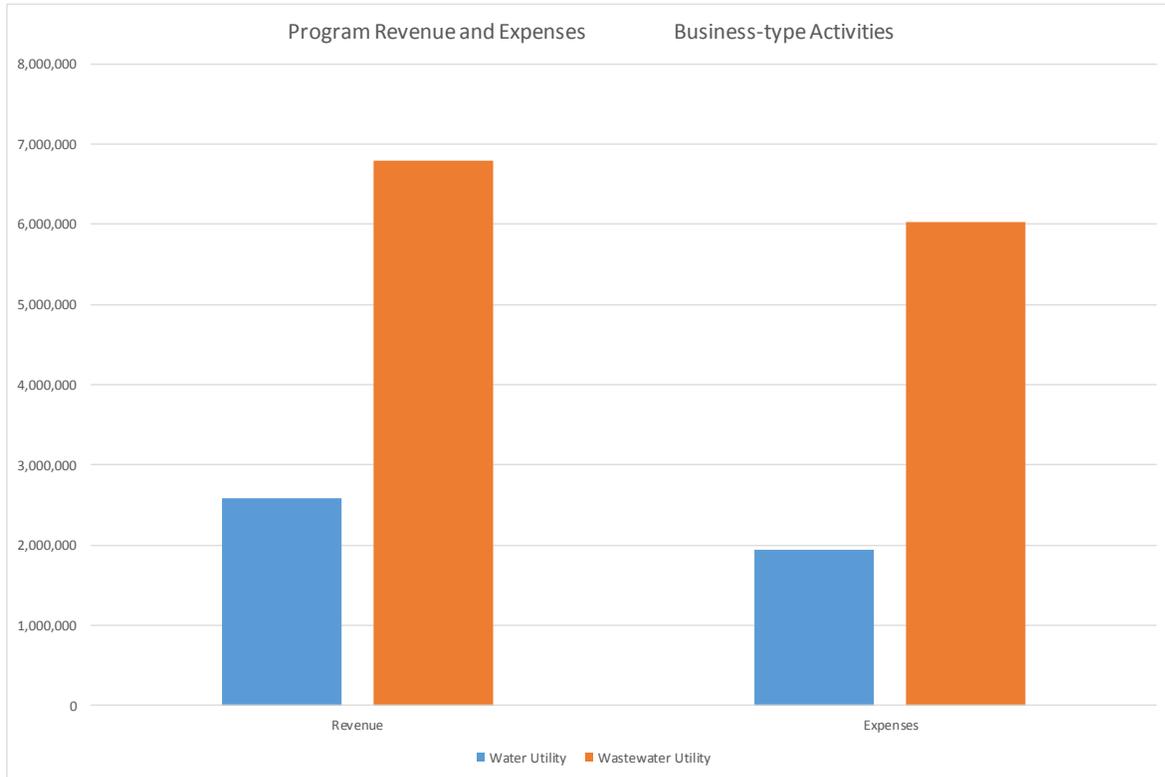




*Program and General Revenues by source*

**Business-Type Activities**

Business-type activities, which include the operations of the water and wastewater utilities, accounted for an increase of 1.27 million in the Village’s net position, increases to both utilities. Any additional revenue earned will be used for ongoing operations and maintenance and capital projects.



## Water Utility

The Water Utility reported net operating income of \$651,618 due to a 3% water rate increase that was effective in the first quarter of 2015 and a local large use customer that transitioned to the Village water supply rather than a private well that was down for needed repair. Operating expenses were lower by 6.36% partly due to staff change over and positions going unfilled for a time as well as a reduction in costs for water main repair because of a less severe winter. Water main repair costs in 2014 were \$131,960 compared to \$25,488 in 2015. Overall the change in net position for 2015 was \$231,676. Capital contributions can vary widely from year-to-year since they are dependent on the completion of developer projects in the Village. Capital contributions for 2015 were lower than 2014 by \$43,422.

The Village maintains five wells and three water towers within its corporate boundaries. An ongoing search and testing for a sixth well site is still underway to guarantee sufficient water for the Village's growth. The Village has a Water Impact Fee of \$832.00 per residential equivalency, charged for new construction, \$57,341 was collected in 2015.

Water Utility Activity Summary			
(in millions of dollars)			
	2015	2014	Change
Operating Revenues	\$ 2.567	\$ 2.417	\$ 0.150
Operating expenses	1.915	2.045	\$ (0.130)
<b>Operating Income</b>	<b>0.652</b>	<b>0.372</b>	<b>0.280</b>
Non-operating income	(0.020)	0.004	(0.024)
Capital Contributions	0.128	0.562	(0.434)
Transfers out - tax equivalent	(0.528)	(0.529)	0.001
<b>Increase in net position</b>	<b>0.232</b>	<b>0.409</b>	<b>(0.457)</b>
Net Position beginning of the year, as restated	28.988	28.426	0.562
<b>Net position , end of the year</b>	<b>\$ 29.220</b>	<b>\$ 28.988</b>	<b>\$ 0.232</b>

\* Footing errors are due to rounding.

## Wastewater Utility (Sewer)

The Wastewater Utility reported a net operating increase of \$741,672 for 2015. It's overall net position increased by nearly \$1 million. Charges for services increased 20%, from \$5.6 million in 2014 to \$6.8 million in 2015. A 10% rate increase was implemented for first quarter 2015, plus additional revenue from the high use customer discussed in the Water Utility section. \$123,007 of the amount was a pass through charge to MMSD for a recalculation of a customer's past billings. Capital contributions were minimal, down from \$365,899 in 2014 to \$221,101 in 2015. The Village charges a connection fee to any new construction connecting to our system, \$206,351 was collected in 2015. These charges help the cover ongoing maintenance and other improvements to the system.

The Utility is in its second phase of relining its 48" interceptor mains which began last year. The project will finish early 2016.

Operating expenses increased by \$.5 million. The Village contracts with Milwaukee Metropolitan Sewerage District for its sewage treatment, the charges from MMSD for treatment and its annual capital charge remain the utility's largest expense accounting for 82.7 % of the operations and maintenance expense. In 2015 the Village paid \$1.5 million for user charges and \$2.9 million for the annual capital charge. The Capital charge is based on the equalized value of properties within the sewer service district.

Wastewater Utility			
(in millions of dollars)			
	2015	2014	Change
Charges for services	\$ 6.793	\$ 5.642	\$ 1.151
Operating expenses	6.051	5.576	\$ 0.476
<b>Operating Income</b>	0.742	0.067	0.675
Non-operating income	0.026	0.026	0.000
Capital Contributions	0.221	0.366	(0.145)
<b>Increase in net position</b>	0.9891	0.459	0.531
Net Position beginning of the year, as restated	37.835	37.239	0.596
<b>Net position , end of the year</b>	\$ 38.824	\$ 37.835	\$ 0.989

\* Footing errors are due to rounding.

### Fund Financial Analysis

Fund financial analysis focuses on short term spendable resources and fund balances available for future use.

### Governmental Funds

As of December 31, 2015, Village governmental funds reported a combined fund balance of \$16.3 million, \$0.9 million less than last year's total of \$17.2 million. The decrease is mostly related to the reduction in Debt Service with the final payments for TID #3, and a June 2005 Promissory Note, plus a reduction in the balance of our General Capital Projects fund simply due to the spending of borrowed funds on applicable capital projects.

### General Fund

The General Fund ended the year with a \$0.659 million surplus, with an ending fund balance of \$4.928 million. After adjusting for non-spendable and assigned portions for the general fund balance the unassigned fund balance at year end was \$3.93 million, 26% of the Village's subsequent year general fund expenditure budget. The Village's fund balance policy works to maintain a working capital fund of 16 – 25%. The Village Board is working toward creating a Revolving Capital Equipment fund in 2016 and will invest some of the current fund balance to start it.

The General Fund is the primary operating fund used to account for the governmental operations of the Village of Germantown. The largest revenue sources for the General fund are taxes and inter-governmental aids, together accounting for 80.13% of total revenues. Total revenues were up slightly from 2014, about 1%, \$14.5 million in 2014 to \$14.6 million in 2015. The Village experienced higher than expected recreation program revenue in 2015, \$0.966 million compared to \$0.876 million

in 2014, due to the continued growth of the department. Another area where revenues exceeded budget was in our building inspection fees, due to the continued build out of a residential subdivision in the Village.

General Fund expenditures were down about 1% or \$142,320. Changes in staffing of the Fire Department reduced wages and benefits from \$1.1 million in 2014 to \$0.9 in 2015. The department had experimented with round the clock weekend staffing, rather than strictly on call, in 2014. The Village Board directed the new Fire Chief to reduce some of the hours worked in anticipation of a referendum effective for 2016 that would allow a 24/7 fulltime department. Current staffing levels are full time 6:00 am to 6:00 pm Monday through Friday, one twelve hour shift on the weekends and all other staffing done by on-call personnel. The referendum subsequently failed, any future upgrade in staffing levels at the Fire Department will be done incrementally. A large turnover in the Police Department with several retirements and other changes to personnel reduced the overall payroll and benefits sections of the Police Department budget too. The new officers start at the low end of their contract tier, below that of the person they've replaced, plus there were large gaps in time before the positions were filled. Highway and street maintenance was below budget due to the mild winter saving on labor and equipment costs.

### **Debt Service Fund**

Debt Service reduced its fund balance by \$1 million. Three issues, two in our closed TID #3 and a 2005 G.O. Promissory note saw their final payments in 2015. Annual debt service requirements were met primarily by property taxes levied of \$2.2 million and other governmental transfers of \$2 million. Funds collected for payment of the outstanding debt for the closed TID # 3 and TID #5 have already been transferred to the Debt Service fund in prior years.

### **General Capital Projects**

The General Capital Projects Fund balance of \$1.95 million includes proceeds of bonds and notes that are legally restricted to expenditures for specific purposes as well as accumulated Library County Revenues intended for capital improvements. The restricted amount is for a Special Assessment Loan.

### **TID #4 Capital Projects Fund**

TID #4 Capital Projects fund is for the Village's Business Park. The Business Park has continued to sell land parcels and add development. The park is in a positive position and is expected to close when legally required and pay the debt outstanding without any significant problems. \$0.5 million in new land sales was received in 2015. Increment tax rebates which began in 2013 pushed several development projects toward full build out of the park. Increment payment made in 2015 totaled \$160,681.

### **Non-major Governmental Funds**

TID #6, created in 2014 is a Tax Incremental District mixed-use business park suitable for industrial and commercial purposes. It is located along Appleton Avenue south of Lannon Road. The area is proposed to be developed in phases. The estimated saleable property consists of fifty-two acres. The Project Plan consists of site grading, sanitary sewer and water systems, stormwater management, street improvements, landscaping and other site improvement infrastructure and related costs. Most of the major improvements have been slated for 2016. The Village issued \$5,405,000 in General Obligation Community Development Bonds on October 1, 2014. Of that \$461,781.25 is in capitalized interest to make interest payments due March 1, 2015 through March 1, 2017, and a portion of the interest due September 1, 2017.

The remaining Non-major Governmental Funds consist of Impact Fees for Police, Fire, Library and Park & Recreation, Special Revenue Funds for Senior Van Replacement, Police Asset Forfeiture, Historic Preservation Fund, Library Board Accounts and Recreation Department Facility Fund. The Special Revenue funds are specifically earmarked for a single purpose and are either restricted or committed. Impact fees are imposed on new construction to fund all or a portion of the costs of providing public services to the new development.

### **Proprietary Funds**

The Water and Wastewater Utilities were discussed in the Government-wide Analysis on pages xxiii – xxiv.

The Health and Dental Protection are a Self-Funded Plan with a Third Party Administrator. The funds maintained positive cash flow ending the year with a net position of \$0.983 million, showing an increase to total cash of \$136,503 for a cash and cash equivalent year-end balance of \$1 million, to be used for future expenditures. Employee contributions to the fund averaged 12% of premium cost. Changes in health care law will cause some change in the design and scope of the plan in the next couple years.

### **Agency Fund**

The Village acts as Trustee for property taxes collected on behalf of the other taxing units; The State of Wisconsin, Washington County, Germantown School District, and Milwaukee Area Technical College. All of the Village's fiduciary activities are reported in the Statement of Assets and Liabilities – Agency Fund on page 15 and Statement of Changes in Assets and Liabilities – Agency Fund on page 80.

## **CAPITAL ASSETS AND DEBT**

### **Capital Assets**

As of December 31, 2015, the Village had \$134 million invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below) More information on capital assets is located on in Note III.D.

#### **Significant Additions to Capital Assets in 2015**

• Roads	\$ 1,295,567
• Machinery & Equipment	\$ 1,691,404
• Street Lighting	\$ 419,592
• Water & Sewer System	\$ 537,087

**Capital Assets (Net of accumulated depreciation)  
(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2014	2015	2014	2015
Construction in progress	\$ 0.0	\$ 0.0	0.0	0.1
Land	13.7	13.6	0.2	0.2
Buildings and improvements	9.2	8.9	3.5	3.4
Machinery and equipment	4.0	4.9	3.4	3.2
Infrastructure	<u>48.5</u>	<u>48.6</u>	<u>51.9</u>	<u>51.4</u>
 Total Capital Assets	 <u>\$ 75.4</u>	 <u>\$ 76.0</u>	 <u>59.0</u>	 <u>58.3</u>

The Village's 2015 capital budget anticipated a spending level of \$5.8 million for capital projects. The Village borrowed approximately \$2.7 million to fund these expenditures and designated \$2.9 million from the water and sewer utilities. Cash on hand in other funds was also earmarked to make up the balance of the budget.

Additional Information about the Village's capital assets can be found in Note III.D beginning on page 34.

**LONG-TERM DEBT**

As of December 31, 2015, long term debt outstanding totaled \$28.7 million compared to \$30.6 million at December 31, 2014, a net decrease of \$1.9 million. The large decrease is mostly attributed to a full note defeasance of TID #3 and a 2005 debt obligations.

Principal paid on outstanding debt totaled \$4.6 million, of which \$2.085 was paid toward principal reduction and \$2.55 million was for refinancing.

**Village of Germantown's Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2014	2015	2014	2015
General obligation debt	\$ 29,246,000	\$ 27,355,000		
Revenue Bonds	-	-	\$1,393,201	\$1,302,768
 Totals	 <u>\$ 29,246,000</u>	 <u>\$ 27,355,000</u>	 <u>\$1,393,201</u>	 <u>\$1,302,768</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of all taxable property within the Village's jurisdiction. The debt limit as of December 31, 2015 was \$120,295,670. Total General Obligation debt outstanding was \$27,355,000 or a 23% of the limit. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

### **Long-term Debt Issued 2015**

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
03/24/2015	General Obligation Promissory Note	\$ 2,655,000
<b>Uses</b>	Public Safety Equipment & Building Repair	285,000
	Park Equipment & Improvements	362,050
	Roadway Design & Improvements	1,745,500
	Highway Trucks & Equipment	225,000
	Issuance Costs	37,450

Additional information about the Village's long-term obligations can be found in Note III-F, beginning on page 38 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- > On May 11, 2016 the Village of Germantown issued a \$4,335,000 General Obligation Promissory Note – Series 2016A to be used for the partial refunding of the \$5.5 million G.O. Refunding Bond, dated June 15, 2005 in the amount of \$1.8 million, plus \$2.632 million for Public Safety equipment, road construction and repair, Public Works equipment and Parks and Recreation equipment, with a true interest cost of 1.2923%. The interest rates on the obligations to be refunded are 3.85% to 4%, the refunding is expected to reduce interest expense by approximately \$105,000 over the next five years. The Notes are being issued for a ten-year term.
- > Moody's Investors Service has maintained its rating of the Village at Aa2.
- > Wisconsin law 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. Change in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.
- > The Village of Germantown had a referendum question on the ballot for November 2015 to increase the village levy by an amount not to exceed \$1,000,000 to fund a full time fully staffed 24/7 Fire Department providing round the clock Fire & EMS Service. This would have required the hiring of twelve additional staff members. The referendum subsequently failed. Staffing changes to the Fire Department will be made incrementally.

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## **REQUESTS FOR INFORMATION**

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This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. The Village of Germantown has begun to provide its Comprehensive Annual Financial Report on our web page ([www.village.germantown.wi.us](http://www.village.germantown.wi.us)) under the Finance Department's Financial Reports Section. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, N112 W17001 Mequon Road, P.O. Box 337, Germantown, WI 53022. Finance Department staff can also be reached at 262-250-4700 or email: [krath@village.germantown.wi.us](mailto:krath@village.germantown.wi.us).

# VILLAGE OF GERMANTOWN

## STATEMENT OF NET POSITION As of December 31, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 17,085,653	\$ 8,585,082	\$ 25,670,735
Receivables (net)			
Taxes	13,329,932	-	13,329,932
Accounts receivable	695,555	2,703,725	3,399,280
Special assessments receivable	28,112	24,255	52,367
Developer	600,000	-	600,000
Accrued interest	27,479	11,605	39,084
Internal balances	386,515	(386,515)	-
Prepaid items	2,248	-	2,248
Land held for resale	295,572	-	295,572
Restricted Assets			
Cash and investments	236,403	696,044	932,447
Accrued interest	448	615	1,063
Net pension asset	1,352,307	144,036	1,496,343
Capital Assets			
Land	13,577,807	175,599	13,753,406
Construction in progress	2,347	108,286	110,633
Capital assets, net of depreciation	<u>62,440,654</u>	<u>58,056,636</u>	<u>120,497,290</u>
Total Assets	<u>110,061,032</u>	<u>70,119,368</u>	<u>180,180,400</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	205,775	-	205,775
Deferred outflows - pensions	<u>1,366,486</u>	<u>148,294</u>	<u>1,514,780</u>
Total Deferred Outflows of Resources	<u>1,572,261</u>	<u>148,294</u>	<u>1,720,555</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,279,138	680,373	1,959,511
Accrued interest payable	250,700	5,158	255,858
Deposits	-	11,680	11,680
Noncurrent Liabilities			
Due within one year	4,151,918	93,847	4,245,765
Due in more than one year	<u>24,495,554</u>	<u>1,292,194</u>	<u>25,787,748</u>
Total Liabilities	<u>30,177,310</u>	<u>2,083,252</u>	<u>32,260,562</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	<u>13,271,475</u>	-	<u>13,271,475</u>
<b>NET POSITION</b>			
Net investment in capital assets	59,461,387	57,037,753	116,250,142
Restricted for			
Impact fees	236,850	210,928	447,778
Library	113,624	-	113,624
Debt service	518,753	117,602	636,355
Equipment replacement	-	362,971	362,971
TIF purposes	8,129,063	-	8,129,063
Pension	1,352,307	144,036	1,496,343
Unrestricted (deficit)	<u>(1,627,476)</u>	<u>10,311,120</u>	<u>8,932,642</u>
<b>TOTAL NET POSITION</b>	<u>\$ 68,184,508</u>	<u>\$ 68,184,410</u>	<u>\$ 136,368,918</u>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,770,668	\$ 320,634	\$ -	\$ -
Public safety	7,186,673	1,099,257	144,735	32,237
Public works	5,421,794	223,462	1,050,870	170,367
Culture, education and recreation	2,822,020	1,086,100	319,203	24,408
Conservation and development	365,437	15,662	5,075	-
Interest and fiscal charges	<u>894,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>18,460,894</u>	<u>2,745,115</u>	<u>1,519,883</u>	<u>227,012</u>
Business-type Activities				
Water	1,939,864	2,575,340	-	128,229
Sewer	<u>6,026,848</u>	<u>6,793,417</u>	<u>-</u>	<u>221,101</u>
Total Business-type Activities	<u>7,966,712</u>	<u>9,368,757</u>	<u>-</u>	<u>349,330</u>
Totals	<u>\$ 26,427,606</u>	<u>\$ 12,113,872</u>	<u>\$ 1,519,883</u>	<u>\$ 576,342</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, tax increment

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

### Change in net position

NET POSITION - Beginning of Year (as restated)

**NET POSITION - END OF YEAR**

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Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,450,034)	\$ -	\$ (1,450,034)
(5,910,444)	-	(5,910,444)
(3,977,095)	-	(3,977,095)
(1,392,309)	-	(1,392,309)
(344,700)	-	(344,700)
<u>(894,302)</u>	<u>-</u>	<u>(894,302)</u>
<u>(13,968,884)</u>	<u>-</u>	<u>(13,968,884)</u>
-	763,705	763,705
-	<u>987,670</u>	<u>987,670</u>
-	<u>1,751,375</u>	<u>1,751,375</u>
<u>(13,968,884)</u>	<u>1,751,375</u>	<u>(12,217,509)</u>
8,960,476	-	8,960,476
2,205,942	-	2,205,942
1,255,321	-	1,255,321
403,591	-	403,591
993,240	-	993,240
123,261	45,226	168,487
<u>568,135</u>	<u>-</u>	<u>568,135</u>
<u>14,509,966</u>	<u>45,226</u>	<u>14,555,192</u>
<u>528,153</u>	<u>(528,153)</u>	<u>-</u>
1,069,235	1,268,448	2,337,683
<u>67,115,273</u>	<u>66,915,962</u>	<u>134,031,235</u>
<u>\$ 68,184,508</u>	<u>\$ 68,184,410</u>	<u>\$ 136,368,918</u>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
<b>ASSETS</b>				
Cash and investments	\$ 4,834,125	\$ 767,306	\$ 1,963,880	\$ 3,248,972
Receivables				
Taxes	9,293,929	2,486,502	-	1,496,472
Special assessments	28,112	-	-	-
Accounts	580,885	-	114,670	-
Developer	-	-	600,000	-
Delinquent taxes	51,861	-	-	-
Accrued interest	8,450	2,148	2,503	6,925
Due from other funds	528,185	-	-	-
Prepaid items	2,248	-	-	-
Restricted Assets				
Cash and investments	-	-	-	-
Accrued interest	-	-	-	-
	<u>\$ 15,327,795</u>	<u>\$ 3,255,956</u>	<u>\$ 2,681,053</u>	<u>\$ 4,752,369</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 475,524	\$ -	\$ 134,869	\$ 81,420
Accrued liabilities	544,257	-	-	-
Due to other governments	887	-	-	-
Due to other funds	930	-	-	-
Total Liabilities	<u>1,021,598</u>	<u>-</u>	<u>134,869</u>	<u>81,420</u>
Deferred Inflows of Resources				
Unearned revenue	9,287,333	2,486,502	-	1,496,472
Unavailable revenues	90,421	-	600,000	-
Total Deferred Inflows of Resources	<u>9,377,754</u>	<u>2,486,502</u>	<u>600,000</u>	<u>1,496,472</u>
Fund Balances				
Nonspendable	2,248	-	-	-
Restricted	-	769,454	82,643	3,174,477
Committed	-	-	-	-
Assigned	999,814	-	1,863,541	-
Unassigned	3,926,381	-	-	-
Total Fund Balances	<u>4,928,443</u>	<u>769,454</u>	<u>1,946,184</u>	<u>3,174,477</u>
	<u>\$ 15,327,795</u>	<u>\$ 3,255,956</u>	<u>\$ 2,681,053</u>	<u>\$ 4,752,369</u>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 5,250,495	\$ 16,064,778
1,168	13,278,071
-	28,112
-	695,555
-	600,000
-	51,861
6,690	26,716
-	528,185
-	2,248
236,403	236,403
<u>448</u>	<u>448</u>
<u>\$ 5,495,204</u>	<u>\$ 31,512,377</u>
\$ 3,967	\$ 695,780
-	544,257
-	887
-	930
<u>3,967</u>	<u>1,241,854</u>
1,168	13,271,475
-	690,421
<u>1,168</u>	<u>13,961,896</u>
-	2,248
5,305,061	9,331,635
185,008	185,008
-	2,863,355
-	3,926,381
<u>5,490,069</u>	<u>16,308,627</u>
<u>\$ 5,495,204</u>	<u>\$ 31,512,377</u>

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

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Total Fund Balances - Governmental Funds	\$ 16,308,627
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.	
Land	13,577,807
Land improvements	62,440,654
Construction in progress	2,347
Land held for resale is not a financial resource and is, therefore, not reported in the funds	295,572
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	690,421
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	1,352,307
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,366,486
Internal service funds are reported in the statement of net position as governmental activities.	983,423
Internal service fund internal receivable between governmental and business-type activities	(140,740)
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	(27,355,000)
Capital leases	(97,887)
Compensated absences	(716,203)
Accrued interest	(250,700)
Unamortized debt discount/premium	(478,381)
Unamortized loss on refunding	<u>205,775</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 68,184,508</u></b>

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2015

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
<b>REVENUES</b>				
Taxes	\$ 9,353,075	\$ 2,205,942	\$ -	\$ 1,255,321
Special assessments	4,685	-	359,031	-
Intergovernmental	2,331,482	-	94,154	37,082
Regulation and compliance	1,095,844	-	-	-
Public charges for services	1,627,338	-	-	-
Investment income	33,618	4,020	44,692	18,148
Miscellaneous	136,101	-	28,758	509,411
Total Revenues	14,582,143	2,209,962	526,635	1,819,962
<b>EXPENDITURES</b>				
Current				
General government	1,388,142	-	-	-
Public safety	6,634,469	-	-	-
Public works	3,484,546	-	-	-
Culture and recreation	2,487,041	-	-	-
Conservation and development	208,051	-	-	160,681
Capital Outlay	249,096	-	3,166,065	228,506
Debt Service				
Principal	-	4,545,000	-	-
Interest and fiscal charges	-	741,975	-	-
Debt issuance costs	-	-	58,658	-
Total Expenditures	14,451,345	5,286,975	3,224,723	389,187
Excess (deficiency) of revenues over expenditures	130,798	(3,077,013)	(2,698,088)	1,430,775
<b>OTHER FINANCING USES</b>				
Issuance of general obligation notes	-	-	2,655,000	-
Premium on long-term debt	-	-	70,246	-
Transfers in	528,153	2,061,144	-	-
Transfers out	-	-	(358,203)	(1,494,621)
Total Other Financing Uses	528,153	2,061,144	2,367,043	(1,494,621)
<b>Net Change in Fund Balances</b>	658,951	(1,015,869)	(331,045)	(63,846)
FUND BALANCES - Beginning of Year	4,269,492	1,785,323	2,277,229	3,238,323
<b>FUND BALANCES - END OF YEAR</b>	\$ 4,928,443	\$ 769,454	\$ 1,946,184	\$ 3,174,477

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ -	\$ 12,814,338
-	363,716
-	2,462,718
-	1,095,844
94,497	1,721,835
15,015	115,493
<u>32,427</u>	<u>706,697</u>
<u>141,939</u>	<u>19,280,641</u>
-	1,388,142
6,500	6,640,969
-	3,484,546
18,796	2,505,837
54,254	422,986
36,726	3,680,393
-	4,545,000
-	741,975
-	<u>58,658</u>
<u>116,276</u>	<u>23,468,506</u>
<u>25,663</u>	<u>(4,187,865)</u>
-	2,655,000
-	70,246
-	2,589,297
<u>(208,320)</u>	<u>(2,061,144)</u>
<u>(208,320)</u>	<u>3,253,399</u>
(182,657)	(934,466)
<u>5,672,726</u>	<u>17,243,093</u>
<u>\$ 5,490,069</u>	<u>\$ 16,308,627</u>

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

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Net change in fund balances - total governmental funds	\$	(934,466)
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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 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		3,680,393
A capitalized asset in the government wide financial statements was recorded as a public safety expenditure in the fund financial statements		(155,969)
Depreciation is reported in the government-wide financial statements		(2,653,063)
Net book value of assets retired		(223,370)

Net book value of TIF land held for resale that was sold.		(291,907)
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(401,258)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued		(2,655,000)
Premium on debt issued		(70,246)
Principal repaid		4,545,000
Capital lease repaid		31,692

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of debt discount/premium		43,617
Amortization of loss on refunding		(56,786)

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.

Compensated absences		(4,201)
Accrued interest on debt		(80,497)
Net pension asset		(509,183)
Deferred outflows of resources related to pensions		498,467

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		306,012
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,069,235</u></b>
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See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 2,781,367	\$ 5,455,895	\$ 8,237,262	\$ 1,020,875
Accounts receivable	749,946	1,953,779	2,703,725	-
Accrued interest	4,419	7,186	11,605	763
Due from other funds	57,078	930	58,008	-
Restricted Assets				
Redemption account	<u>32,740</u>	-	<u>32,740</u>	-
Total Current Assets	<u>3,625,550</u>	<u>7,417,790</u>	<u>11,043,340</u>	<u>1,021,638</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	50,577	-	50,577	-
Replacement account	-	312,414	312,414	-
Impact fee account	210,313	-	210,313	-
Accrued interest	615	-	615	-
Net pension asset	76,067	67,969	144,036	-
Capital Assets				
Plant in service	37,559,535	45,142,517	82,702,052	-
Land	140,450	35,149	175,599	-
Construction in progress	108,286	-	108,286	-
Less: Accumulated depreciation	(10,707,901)	(13,937,515)	(24,645,416)	-
Other Assets				
Vehicle replacement account	-	347,820	347,820	-
Special assessments receivable	<u>24,255</u>	-	<u>24,255</u>	-
Total Noncurrent Assets	<u>27,552,197</u>	<u>31,968,354</u>	<u>59,520,551</u>	-
Total Assets	<u>31,177,747</u>	<u>39,386,144</u>	<u>70,563,891</u>	<u>1,021,638</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - pensions	<u>77,765</u>	<u>70,529</u>	<u>148,294</u>	-
Total Deferred Outflows of Resources	<u>77,765</u>	<u>70,529</u>	<u>148,294</u>	-

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	132,917	530,946	663,863	38,215
Due to other funds	528,185	57,078	585,263	-
Accrued wages	9,833	6,677	16,510	-
Special deposits	11,680	-	11,680	-
Current portion of compensated absences	1,357	1,112	2,469	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	91,378	-	91,378	-
Accrued interest payable	<u>5,158</u>	<u>-</u>	<u>5,158</u>	<u>-</u>
Total Current Liabilities	<u>780,508</u>	<u>595,813</u>	<u>1,376,321</u>	<u>38,215</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,211,390	-	1,211,390	-
Compensated absences	<u>43,861</u>	<u>36,943</u>	<u>80,804</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,255,251</u>	<u>36,943</u>	<u>1,292,194</u>	<u>-</u>
Total Liabilities	<u>2,035,759</u>	<u>632,756</u>	<u>2,668,515</u>	<u>38,215</u>
<b>NET POSITION</b>				
Net investment in capital assets	25,797,602	31,240,151	57,037,753	-
Restricted for				
Impact fees	210,928	-	210,928	-
Debt service	117,602	-	117,602	-
Equipment replacement	50,557	312,414	362,971	-
Pension	76,067	67,969	144,036	-
Unrestricted net position	<u>2,966,997</u>	<u>7,203,383</u>	<u>10,170,380</u>	<u>983,423</u>
<b>TOTAL NET POSITION</b>	<u>\$ 29,219,753</u>	<u>\$ 38,823,917</u>	68,043,670	<u>\$ 983,423</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>140,740</u>	
<b>NET POSITION BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 68,184,410</u>	

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 6,749,510	\$ 6,749,510	\$ -
Sale of water	2,496,768	-	2,496,768	-
Other	70,018	43,313	113,331	1,829,066
Total Operating Revenues	<u>2,566,786</u>	<u>6,792,823</u>	<u>9,359,609</u>	<u>1,829,066</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	1,138,846	5,333,794	6,472,640	1,481,786
Depreciation	776,322	717,357	1,493,679	-
Total Operating Expenses	<u>1,915,168</u>	<u>6,051,151</u>	<u>7,966,319</u>	<u>1,481,786</u>
Operating Income	<u>651,618</u>	<u>741,672</u>	<u>1,393,290</u>	<u>347,280</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	19,358	25,868	45,226	6,269
Miscellaneous revenues	8,554	594	9,148	-
Interest expense	(47,930)	-	(47,930)	-
Total Nonoperating Revenues (Expenses)	<u>(20,018)</u>	<u>26,462</u>	<u>6,444</u>	<u>6,269</u>
Income Before Contributions and Transfers	<u>631,600</u>	<u>768,134</u>	<u>1,399,734</u>	<u>353,549</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	128,229	221,101	349,330	-
Transfers out - tax equivalent	(528,153)	-	(528,153)	-
Total Contributions and Transfers	<u>(399,924)</u>	<u>221,101</u>	<u>(178,823)</u>	<u>-</u>
Change in Net Position	231,676	989,235	1,220,911	353,549
NET POSITION - Beginning of Year (as restated)	<u>28,988,077</u>	<u>37,834,682</u>	<u>66,822,759</u>	<u>629,874</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 29,219,753</u>	<u>\$ 38,823,917</u>	68,043,670	<u>\$ 983,423</u>
Change in Net Position of Proprietary Funds			1,220,911	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>47,537</u>	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 1,268,448</u>	

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 1,760,529	\$ 6,452,594	\$ 8,213,123	\$ -
Received from other funds for services	537,429	-	537,429	1,831,487
Paid to suppliers for goods and services	(715,179)	(4,882,461)	(5,597,640)	(1,701,402)
Paid to employees for services	(440,422)	(400,130)	(840,552)	-
Net Cash Flows From Operating Activities	<u>1,142,357</u>	<u>1,170,003</u>	<u>2,312,360</u>	<u>130,085</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investments sold and matured	1,211,920	2,111,209	3,323,129	-
Investment income	18,007	24,079	42,086	6,418
Investments purchased	(1,358,512)	(1,544,942)	(2,903,454)	-
Net Cash Flows From Investing Activities	<u>(128,585)</u>	<u>590,346</u>	<u>461,761</u>	<u>6,418</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	(529,246)	-	(529,246)	-
Net Cash Flows From Noncapital Financing Activities	<u>(529,246)</u>	<u>-</u>	<u>(529,246)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(458,181)	(110,169)	(568,350)	-
Capital contributions received	57,341	206,351	263,692	-
Special assessments received	8,884	-	8,884	-
Debt retired	(90,433)	-	(90,433)	-
Interest paid	(48,263)	-	(48,263)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(530,652)</u>	<u>96,182</u>	<u>(434,470)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	(46,126)	1,856,531	1,810,405	136,503
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>985,564</u>	<u>1,416,209</u>	<u>2,401,773</u>	<u>884,372</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 939,438</u>	<u>\$ 3,272,740</u>	<u>\$ 4,212,178</u>	<u>\$ 1,020,875</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 651,618	\$ 741,672	\$ 1,393,290	\$ 347,280
Nonoperating revenue	8,554	594	9,148	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	776,322	717,357	1,493,679	-
Depreciation charged to other funds	38,523	-	38,523	-
Changes in assets and liabilities				
Accounts receivable	(185,506)	(324,126)	(509,632)	2,421
Due from other funds	(25,279)	(16,697)	(41,976)	-
Prepaid items	1,667	1,667	3,334	-
Accounts payable	(13,075)	54,806	41,731	(219,616)
Due to other funds	(9,623)	1,605	(8,018)	-
Other current liabilities	1,950	(297)	1,653	-
Accrued sick leave	2,624	(5,269)	(2,645)	-
Customer deposits	(105,120)	-	(105,120)	-
Pension related deferrals and liabilities	(298)	(1,309)	(1,607)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,142,357</u>	<u>\$ 1,170,003</u>	<u>\$ 2,312,360</u>	<u>\$ 130,085</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments	\$ 2,781,367	\$ 5,455,895	\$ 8,237,262	\$ 1,020,875
Restricted cash and investments	383,630	312,414	696,044	-
Vehicle replacement account	-	347,820	347,820	-
Total Cash and Investments	3,164,997	6,116,129	9,281,126	1,020,875
Less: Noncash equivalents	(2,225,559)	(2,843,389)	(5,068,948)	-
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 939,438</u>	<u>\$ 3,272,740</u>	<u>\$ 4,212,178</u>	<u>\$ 1,020,875</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Developer financed additions to utility plant	\$ 70,888	\$ 14,750	\$ 85,638	\$ -

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2015

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	<u>Agency Fund Tax Collection Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 23,075,402
Taxes receivable	<u>7,631,482</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 30,706,884</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 88,003
Due to other governments	<u>30,618,881</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 30,706,884</u></b>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. REPORTING ENTITY**

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The village has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

#### **Government-Wide Financial Statements**

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

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

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)*

#### *Fund Financial Statements*

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

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

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

Separate financial statements are provided for governmental funds, 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.

The village reports the following major governmental funds:

- 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 and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- General Capital Projects 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 projects program.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The village reports the following major enterprise funds:

Water Utility - accounts for operations of the water system  
Sewer Utility - accounts for operations of the sewer system

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).

Police Impact Fee Fund	Fire Impact Fee Fund
Library Impact Fee Fund	Park and Recreation Impact Fee Fund
Senior Van Replacement Fund	Police Asset Forfeiture Fund
Police Canine Fund	Historic Preservation Fund
Library Fund	Facility Fees Fund

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

Tax Incremental District (TID) No. 6

In addition, the village reports the following fund types:

Internal Service Funds - used to account for and report 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.

Health Insurance Fund  
Dental Insurance Fund

Agency Funds - used to account for and report assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

#### ***Government-Wide Financial Statements***

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

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

#### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 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.

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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

#### *Fund Financial Statements (cont.)*

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

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

#### *All Financial Statements*

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

### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*

#### *1. Deposits and Investments*

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

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

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

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***1. Deposits and Investments (cont.)***

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows the state statute for allowable investments.

The village's investment policy allows for demand deposits and certificates of deposit at several designated depositories without restriction as to amount of deposit or collateralization. For other financial institutions, the policy limits certificates of deposit to \$500,000 unless collateralized with certain investments. All governmental bonds and securities purchased as collateral must be placed in a segregated account in the village's name.

The investment policy addresses credit risk and concentration of credit risk by limiting investments to the types of securities listed in the policy, which follows state statutes. The village will pre-qualify financial institutions, brokers/dealers, intermediaries, and advisors before doing business with them. In addition, the village's investment portfolio will be diversified so that the impact of potential losses from any one type of security or from anyone individual issuer will be minimized.

The village's investment policy also addresses interest rate risk by requiring investment in securities that mature to meet cash flow requirements, funds that are primarily made up of shorter-term securities, money market mutual funds, or similar investment pools, and limiting weighted average maturity of portfolios to three years.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

#### **2. Receivables**

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

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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 and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

#### **3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

Buildings	40-50	Years
Land Improvements	25	Years
Machinery and Equipment	5-20	Years
Utility System	20-100	Years
Infrastructure	20-40	Years

###### ***Fund Financial Statements***

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

##### **6. Other Assets**

In the government-wide financial statements, the cost of tax incremental district land held for resale is reported as an asset with increases and decreases for purchases and sales.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***7. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

#### ***8. Compensated Absences***

Under terms of employment, employees are granted sick leave 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 fund 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 resources.

Employees who retire and are eligible to draw a Wisconsin Retirement Annuity will have 50%, or other collectively bargained percentage, of their unused accumulated sick leave converted into dollars at the time of their retirement and forwarded to ICMA Retirement Corporation to open a VantageCare Retirement Health Savings Plan (RHS). The RHS is a tax-advantaged investment plan dedicated to funding health care costs. The employee has ownership of the funds and may use the dollars to remain on the village health care plan until age 65. Funding for the RHS contribution are provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. The total expenditure for the year was \$59,304.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015, are determined on the basis of current salary rates and include salary related payments.

#### ***9. 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.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***9. Long-Term Obligations/Conduit Debt (cont.)***

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$45,706,340, made up of 12 issues.

#### ***10. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **11. Equity Classifications**

##### ***Government-Wide Statements***

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 59,461,387	\$ 57,037,753	\$ (248,998)	\$ 116,250,142
Unrestricted (deficit)	(1,627,476)	10,311,120	248,998	8,932,642

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

##### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*** (cont.)

#### **11. Equity Classifications** (cont.)

##### ***Fund Statements*** (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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 fund of 16-25% of the village's subsequent year general fund expenditure budget. The balance at year end was \$3,926,381, or 26%, and is included in unassigned general fund balance.

See Note III. H. for further information.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

**12. Basis for Existing Rates**

***Water Utility***

Current water rates were approved by the Public Service Commission of Wisconsin effective December 15, 2014. Current rates are designed to provide a 1.00% return on rate base.

***Sewer Utility***

Current sewer rates were approved by the Village Board with an effective date of December 15, 2014.

## **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS**

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Debt Service Fund	\$ 5,284,902	\$ 5,286,975	\$ 2,073
General Capital Projects Fund	3,426,540	3,582,926	156,386
Historic Preservation Fund	469	646	177
TID No. 4 Capital Projects	1,659,353	1,883,808	224,455

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

**B. LIMITATIONS ON THE VILLAGE'S TAX LEVY**

Wisconsin law 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. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 21,561,158	\$ 21,693,104	Custodial Credit
US agencies - implicitly guaranteed	3,893,266	3,893,266	Credit, Custodial Credit, Concentration of Credit, Interest Rate
US agencies - explicitly guaranteed	2,447,531	2,447,531	Custodial Credit, Interest Rate
Municipal bonds	35,496	35,496	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	21,738,943	21,771,683	Credit
Petty cash	2,190	-	N/A
Total Deposits and Investments	<u>\$ 49,678,584</u>	<u>\$ 49,841,080</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 25,670,735		
Restricted cash and investments	932,447		
Per statement of assets and liabilities - agency funds			
Agency Fund	23,075,402		
Total Deposits and Investments	<u>\$ 49,678,584</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing 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).

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

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**A. DEPOSITS AND INVESTMENTS (cont.)**

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$500,000 of the village's investments are covered by SIPC.

The village maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$20,000,000 to secure the village's deposits.

***Custodial Credit Risk***

**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, 2015, \$598,092 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 598,092</u>
Total	<u><u>\$ 598,092</u></u>

**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.

All investments that are subject to custodial credit risk have collateral held by the pledging financial institution.

***Credit Risk***

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

All investments reported as US agencies - implicitly guaranteed have been rated at the AAA/AA+ level by one of the three main credit rating agencies. All municipal bonds have been rated AA2.

The village also held investments in the following external pool which is not rated:

Local Government Investment Pool

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Concentration of Credit Risk***

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

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

Issuer	Investment Type	Percentage of Portfolio
FFCBS	US agencies - implicitly guaranteed	10.28%

***Interest Rate Risk***

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

As of December 31, 2015, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 year	1-4 years	More than 4 years
US agencies - explicitly guaranteed	\$ 2,447,531	\$ -	\$ 2,447,531	\$ -
US agencies - implicitly guaranteed	3,893,266	-	3,549,405	343,861
Municipal Bonds	35,496	35,496	-	-
<b>Totals</b>	<b>\$ 6,376,293</b>	<b>\$ 35,496</b>	<b>\$ 5,996,936</b>	<b>\$ 343,861</b>

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year, except for special assessments, developer, and delinquent taxes.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### **B. RECEIVABLES** (cont.)

Governmental funds report *unavailable or unearned revenue* 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 also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 13,271,475	\$ -
Delinquent property taxes receivable	-	51,861
Special assessments not yet due	-	34,109
Developer receivable not yet due	-	600,000
Parks and recreation	-	4,451
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 13,271,475	 \$ 690,421

#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

##### ***Long-Term Debt Accounts***

- Redemption     -     Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve         -     Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation   -     Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

##### ***Equipment Replacement Account***

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

##### ***Impact Fee Account***

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS (cont.)**

**Net Pension Asset**

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	Restricted Assets
Governmental Activities	
Impact fee accounts	
Cash and investments	\$ 236,403
Accrued interest	448
Net pension asset	1,352,307
Business-type Activities	
Sewer equipment replacement account	312,414
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	50,577
Water impact fees	210,313
Accrued interest	615
Net pension asset	144,036
Total	\$ 2,429,853

**D. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 13,577,807	\$ -	\$ -	\$ 13,577,807
Construction in progress	126,345	2,347	126,345	2,347
Total Capital Assets Not Being Depreciated	13,704,152	2,347	126,345	13,580,154

## VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

**D. CAPITAL ASSETS** (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b> (cont.)				
Capital assets being depreciated				
Buildings and improvements	\$ 15,947,679	\$ 89,808	\$ 18,536	\$ 16,018,951
Machinery and equipment	10,777,600	1,489,514	438,881	11,828,233
Roads	48,260,517	1,295,567	383,451	49,172,633
Storm sewers	20,709,338	239,439	3,759	20,945,018
Street lighting	2,648,616	419,592	-	3,068,208
Bridges	7,070,094	114,502	31,464	7,153,132
Total Capital Assets Being Depreciated	105,413,844	3,648,422	876,091	108,186,175
Total Capital Assets	119,117,996	3,650,769	1,002,436	121,766,329
Less: Accumulated depreciation for				
Buildings and improvements	(6,708,844)	(460,902)	14,365	(7,155,381)
Machinery and equipment	(6,766,152)	(556,093)	433,626	(6,888,619)
Roads	(15,471,793)	(967,609)	188,248	(16,251,154)
Storm sewers	(10,209,049)	(416,544)	150	(10,625,443)
Street lighting	(1,944,541)	(111,301)	-	(2,055,842)
Bridges	(2,644,800)	(140,614)	16,332	(2,769,082)
Total Accumulated Depreciation	(43,745,179)	(2,653,063)	652,721	(45,745,521)
Net Capital Assets Being Depreciated	61,668,665	995,359	223,370	62,440,654
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 75,372,817	\$ 997,706	\$ 349,715	\$ 76,020,808

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 98,007
Public safety	509,691
Public works, which includes the depreciation of infrastructure	1,827,649
Leisure activities	217,716
Total Governmental Activities Depreciation Expense	\$ 2,653,063

## VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 175,599	\$ -	\$ -	\$ 175,599
Construction in progress	<u>40,400</u>	<u>67,886</u>	<u>-</u>	<u>108,286</u>
Total Capital Assets Not Being Depreciated	<u>215,999</u>	<u>67,886</u>	<u>-</u>	<u>283,885</u>
Capital assets being depreciated				
Buildings and improvements	4,289,564	15,190	8,000	4,296,754
Machinery and equipment	6,092,781	201,890	87,218	6,207,453
Sewer system	39,560,315	137,538	-	39,697,853
Water system	<u>32,222,076</u>	<u>399,549</u>	<u>121,633</u>	<u>32,499,992</u>
Total Capital Assets Being Depreciated	<u>82,164,736</u>	<u>754,167</u>	<u>216,851</u>	<u>82,702,052</u>
Total Capital Assets	<u>82,380,735</u>	<u>822,053</u>	<u>216,851</u>	<u>82,985,937</u>
Less: Accumulated depreciation for				
Buildings and improvements	(797,701)	(125,031)	8,000	(914,732)
Machinery and equipment	(2,683,154)	(411,647)	87,218	(3,007,583)
Sewer system	(11,896,341)	(416,997)	-	(12,313,338)
Water system	<u>(7,952,869)</u>	<u>(578,527)</u>	<u>121,633</u>	<u>(8,409,763)</u>
Total Accumulated Depreciation	<u>(23,330,065)</u>	<u>(1,532,202)</u>	<u>216,851</u>	<u>(24,645,416)</u>
Net Capital Assets Being Depreciated	<u>58,834,671</u>	<u>(778,035)</u>	<u>-</u>	<u>58,056,636</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 59,050,670</u>	<u>\$ (710,149)</u>	<u>\$ -</u>	<u>\$ 58,340,521</u>

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Water	\$ 776,322
Sewer	<u>717,357</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,493,679</u>

Additions to accumulated depreciation include depreciation expense as well as salvage on retired assets and joint metering and may not equal depreciation expense. Accumulated depreciation by asset on sewer utility assets is not available.

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS***

***Interfund Receivables/Payables***

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

Receivable Fund	Payable Fund	Amount
General fund	Water utility	\$ 528,185
Sewer utility	General fund	930
Water utility	Sewer utility	<u>57,078</u>
Total - Fund Financial Statements		586,193
Less: Fund eliminations		(58,938)
Less: Interfund receivables created with internal service fund eliminations		<u>(140,740)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 386,515</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 528,185
Business-type Activities	Governmental Activities	<u>(141,670)</u>
Total Government-Wide Financial Statements		<u>\$ 386,515</u>

All amounts are due within one year.

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. The amount due to the general fund from the water utility represents the 2015 payment in lieu of tax.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

##### Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Debt service fund	General capital projects	\$ 358,203	Debt Service
	TID No. 4 capital projects		
Debt service fund	fund	1,494,621	Debt service
	Nonmajor governmental		
Debt service fund	funds	208,320	Debt service
General fund	Water utility	<u>528,153</u>	Payment in lieu of taxes
Total - Fund Financial Statements		2,589,297	
Less: Fund eliminations		<u>(2,061,144)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 528,153</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.

#### F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 29,245,000	\$ 2,655,000	\$ 4,545,000	\$ 27,355,000	\$ 4,095,000
(Discounts)/Premiums	<u>451,752</u>	<u>70,246</u>	<u>43,617</u>	<u>478,381</u>	<u>-</u>
Sub-totals	<u>29,696,752</u>	<u>2,725,246</u>	<u>4,588,617</u>	<u>27,833,381</u>	<u>4,095,000</u>
Other Liabilities					
Vested compensated absences	712,002	798,761	794,560	716,203	24,964
Capital leases	<u>129,579</u>	<u>-</u>	<u>31,692</u>	<u>97,887</u>	<u>31,954</u>
Total Other Liabilities	<u>841,581</u>	<u>798,761</u>	<u>826,252</u>	<u>814,090</u>	<u>56,918</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 30,538,333</u>	<u>\$ 3,524,007</u>	<u>\$ 5,414,869</u>	<u>\$ 28,647,471</u>	<u>\$ 4,151,918</u>

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *F. LONG-TERM OBLIGATIONS* (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 1,393,201	\$ -	\$ 90,433	\$ 1,302,768	\$ 91,378
Sub-totals	1,393,201	-	90,433	1,302,768	91,378
Other Liabilities					
Vested compensated absences	85,918	55,119	57,764	83,273	2,469
Total Other Liabilities	85,918	55,119	57,764	83,273	2,469
Total Business-type Activities Long-Term Liabilities	\$ 1,479,119	\$ 55,119	\$ 148,197	\$ 1,386,041	\$ 93,847

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2015, was \$120,295,670. Total general obligation debt outstanding at year end was \$27,355,000.

#### ***General Obligation Debt***

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.

## VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

**F. LONG-TERM OBLIGATIONS** (cont.)

**General Obligation Debt** (cont.)

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2015
GO Refunding Bonds - TID No. 4	6/15/2005	2021	2.80 - 4.00%	\$ 2,265,000	\$ 775,000
GO Refunding Bonds - TID No. 5	6/15/2005	2021	2.80 - 4.00%	845,000	290,000
GO Refunding Bonds - General	6/15/2005	2021	2.80 - 4.00%	2,395,000	1,510,000
Notes	4/15/2006	2016	4.00%	2,520,000	305,000
GO Street Improvement Bond	5/1/2007	2026	4.00 - 4.375%	520,000	360,000
GO Promissory Note	5/1/2007	2016	3.50 - 3.75%	1,290,000	170,000
GO Promissory Note	12/15/2007	2017	3.85%	2,600,000	600,000
GO Promissory Note	5/15/2008	2018	3.70%	1,480,000	510,000
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	925,000
GO Refunding Bonds - TID No. 5	8/6/2009	2018	1.00 - 3.10%	565,000	225,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	2,645,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,455,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.75%	805,000	475,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	1,900,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.35 - 1.75%	3,085,000	2,300,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	1,525,000
GO Community Development Bonds	10/1/2014	2034	3.00 - 4.00%	5,405,000	5,405,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	2,645,000	2,420,000
GO Refunding Bonds	5/14/2014	2024	2.00 - 3.00%	1,065,000	905,000
GO Promissory Note	3/24/2015	2025	2.00%	2,655,000	<u>2,655,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 27,355,000</u>

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	Principal	Interest
2016	\$ 4,095,000	\$ 696,385
2017	3,780,000	572,066
2018	3,590,000	482,135
2019	2,650,000	400,665
2020	2,735,000	335,370
2021-2025	6,625,000	990,816
2026-2030	2,105,000	472,230
2031-2034	1,775,000	124,491
Totals	\$ 27,355,000	\$ 4,074,158

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water utility system.

The village has pledged future water revenues to repay revenue bonds issued in 2005 and 2009 totaling \$1.9 million. Proceeds from the bonds provided financing for the construction of water plant. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 5.15% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,598,139. Principal and interest paid for the current year and total customer gross revenues were \$138,696 and \$2,652,039, respectively.

Revenue debt payable at December 31, 2015, consists of the following:

**Business-type Activities Revenue Debt**

<u>Water Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	\$ 1,130,000	\$ 695,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	607,768
Total Business-type Activities - Revenue Debt					\$ 1,302,768

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2016	\$ 91,378	\$ 45,187
2017	97,349	42,004
2018	98,345	38,534
2019	104,368	35,008
2020	110,418	31,213
2021-2025	603,854	92,737
2026-2029	197,056	10,688
Totals	<u>\$ 1,302,768</u>	<u>\$ 295,371</u>

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

**Bond Covenant Disclosures**

**Insurance**

The utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The utility is covered under the following insurance policies at December 31, 2015:

Type	Coverage	Expiration
General Liability	\$ 4,000,000	1/1/2016
Automobile	10,000,000	1/1/2016
Workers Compensation	500,000	1/1/2016
Local Government Property Insurance Fund	53,469,951	1/1/2016

**VILLAGE OF GERMANTOWN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Debt Coverage**

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2015 as follows:

Operating revenues	\$ 2,566,786
Investment income	19,358
Miscellaneous nonoperating income	8,554
Impact fees	57,341
Less: Operation and maintenance expenses	<u>(1,138,846)</u>
 Net Defined Earnings	 <u><u>\$ 1,513,193</u></u>
 Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 86,575
Annual debt service - 2009 revenue bonds	<u>52,121</u>
Subtotal	138,696
Coverage factor	<u>1.25</u>
 Minimum Required Earnings	 <u><u>\$ 173,370</u></u>
 Actual Debt Coverage	 <u><u>10.91</u></u>

**G. LEASE DISCLOSURES**

**Lessee - Capital Leases**

In 2014 the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$151,380, which are included in capital assets in the governmental activities. The future lease payments due as of December 31, 2015, are as follows:

<u>Years</u>	Governmental Activities		
	Principal	Interest	Totals
2016	\$ 31,954	\$ 2,245	\$ 34,199
2017	34,014	1,425	35,439
2018	<u>31,919</u>	<u>384</u>	<u>32,303</u>
 Totals	 <u><u>\$ 97,887</u></u>	 <u><u>\$ 4,054</u></u>	 <u><u>\$ 101,941</u></u>

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### *H. NET POSITION/FUND BALANCES*

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

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 13,577,807
Construction in progress	2,347
Other capital assets, net of accumulated depreciation	62,440,654
Less: Capital related long-term debt outstanding	<u>(16,559,421)</u>
Total Net Investment in Capital Assets	<u>59,461,387</u>
Restricted	
Impact fees	236,850
Library	113,624
TIF purposes	8,129,063
Debt service	518,753
Pension	<u>1,352,307</u>
Total Restricted	<u>10,350,597</u>
Unrestricted (deficit)	<u>(1,627,476)</u>
Total Governmental Activities Net Position	<u>\$ 68,184,508</u>

#### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

<b>Nonspendable</b>	
Major Fund	
General Fund	
Prepaid items	<u>\$ 2,248</u>
<b>Restricted</b>	
Major Funds	
Debt Service Fund	
Debt service	<u>\$ 769,454</u>
Capital Projects Funds	
General capital projects - unspent debt proceeds	82,643
TID No. 4	<u>3,174,477</u>
Sub-Total	<u>3,257,120</u>

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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### H. NET POSITION/FUND BALANCES (cont.)

#### Governmental Funds (cont.)

##### Restricted (cont.)

###### Nonmajor Funds

###### Special Revenue Funds

Police Impact Fee Fund	\$	56,995
Fire Impact Fee Fund		31,918
Library Impact Fee Fund		20,423
Park and Recreation Impact Fee Fund		127,515
Library Fund		113,624
TID No. 6		<u>4,954,586</u>
Sub-Total		<u>5,305,061</u>

Total \$ 9,331,635

##### Committed

###### Nonmajor Funds

###### Special Revenue Funds

Senior Van Replacement Fund	\$	22,342
Police Asset Forfeiture Fund		28,592
Police Canine Fund		57,692
Historic Preservation Fund		306
Facility Fee Fund		<u>76,076</u>

Total \$ 185,008

##### Assigned

###### Major Funds

###### General Fund

Payment in lieu of tax	\$	528,153
Budget carryovers		<u>471,661</u>
Sub-Total		<u>999,814</u>

Capital projects 1,863,541

Total \$ 2,863,355

##### Unassigned

###### Major Funds

###### General fund

\$ 3,926,381

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

##### **Business-type Activities**

Net Investment in Capital Assets	
Land	\$ 175,599
Construction in progress	108,286
Other capital assets, net of accumulated depreciation	58,056,636
Less: Long-term debt outstanding	<u>(1,302,768)</u>
Total Net Investment in Capital Assets	<u>57,037,753</u>
Restricted	
Impact fees	210,928
Debt service	117,602
Equipment replacement	362,971
Pension	<u>144,036</u>
Total Restricted	<u>835,537</u>
Unrestricted	<u>10,311,120</u>
Total Business-type Activities Net Position	<u>\$ 68,184,410</u>

#### I. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Water Utility	Sewer Utility
Net Position - December 31, 2014 (as reported)	\$ 64,385,764	\$ 66,625,238	\$ 28,834,543	\$ 37,697,492
Add: Net pension asset	2,197,115	234,018	123,587	110,431
Add: Deferred outflows related to pensions	<u>532,394</u>	<u>56,706</u>	<u>29,947</u>	<u>26,759</u>
Net Position - December 31, 2014 (as restated)	<u>\$ 67,115,273</u>	<u>\$ 66,915,962</u>	<u>\$ 28,988,077</u>	<u>\$ 37,834,682</u>

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION

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### *A. EMPLOYEES' RETIREMENT SYSTEM*

#### **Summary of Significant Accounting Policies**

**Pension.** 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.

#### **General Information About the Pension Plan**

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### **NOTE IV - OTHER INFORMATION (cont.)**

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

During the reporting period, the WRS recognized \$589,100 in contributions from the village.

Contribution rates as of December 31, 2015 are:

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

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

At December 31, 2015, the village reported an asset of \$1,496,343 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension asset was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the village's proportion was 0.06091924%, which was an increase of 0.06030259% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the village recognized pension expense of \$598,210.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 216,923
Net differences between projected and actual earnings on pension plan investments	724,602
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,948
Employer contributions subsequent to the measurement date	554,307
Totals	\$ 1,514,780

## VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$554,307 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 234,927	\$ -
2017	234,927	-
2018	234,927	-
2019	234,927	-
2020	20,767	-

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

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

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

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

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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:

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

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

# VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

## NOTE IV - OTHER INFORMATION (cont.)

### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension asset	\$(4,221,442)	\$1,496,343	\$6,012,019

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

At December 31, 2015, the village reported a payable to the pension plan of \$114,987, which represents contractually required contributions outstanding as of the end of the year.

### LOSA Program

The village joined the Length of Service Award Program (LOSA) in 2007. This program encourages people to continue as volunteer employees. Half of the LOSA contribution vests after 10 years of service. An employee is fully vested after 20 years. The village contributes an amount for each active employee. The State of Wisconsin will match contributions up to a set limit per active employee. The village will also buy back years of service at a rate of \$100 per year.

	Fire Board
2015 current contribution	\$ 4,469
Back years bought for 2015	-
Total Payment Made in January 2016	\$ 4,469

### B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The village purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; and workers compensation. However, other risks, such as health and dental care of its employees are accounted for and financed by the village in the health insurance and dental insurance internal service funds.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### **Self Insurance**

For health claims, the uninsured risk of loss is \$35,000 per incident and \$2,000,000 in the aggregate for a policy year. The village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the village participate in the risk management program. Accounts payable in the internal service funds are based on estimates of the amounts necessary to pay prior and current year claims. That reserve was \$983,423 at year end and is reported in unrestricted net position of the internal service funds.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The village does not allocate overhead costs or other nonincremental costs to the claims liability.

##### **Claims Liability**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 24,773	\$ 257,831
Current year claims and changes in estimates	1,246,244	966,294
Claim payments	<u>(1,013,186)</u>	<u>(1,185,910)</u>
Unpaid Claims - End of Year	<u>\$ 257,831</u>	<u>\$ 38,215</u>

#### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are 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.

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.

The village has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

# VILLAGE OF GERMANTOWN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***D. SUBSEQUENT EVENT***

On May 11, 2016, the village issued a \$4,335,000 General Obligation Promissory Note Series 2016A to be used for the partial refunding of the \$5.5 million G.O. Refunding Bond, dated June 15, 2005 in the amount of \$1.8 million, plus \$2.632 million for public safety equipment, road construction and repair, public works equipment and parks and recreation equipment, with a true interest cost of 1.2923%. The interest rates on the obligations to be refunded are 3.85% to 4%. The refunding is expected to reduce interest expense by approximately \$105,000 over the next five years. The notes are being issued for a ten-year term.

#### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
General property taxes	\$ 8,961,076	\$ 8,961,076	\$ 8,960,476	\$ (600)
Other taxes	354,365	354,365	392,599	38,234
Special assessments	4,685	4,685	4,685	-
Intergovernmental	2,294,596	2,294,596	2,331,482	36,886
Regulation and compliance	1,022,140	1,022,140	1,095,844	73,704
Public charges for services	1,535,312	1,535,312	1,627,338	92,026
Investment income	23,000	23,000	33,618	10,618
Miscellaneous	<u>107,900</u>	<u>107,900</u>	<u>136,101</u>	<u>28,201</u>
Total Revenues	<u>14,303,074</u>	<u>14,303,074</u>	<u>14,582,143</u>	<u>279,069</u>
<b>EXPENDITURES</b>				
General Government				
Village board	130,000	130,000	118,257	11,743
General administrator	102,490	102,490	105,014	(2,524)
Village clerk	288,814	288,814	277,114	11,700
Treasurer/accounting	188,249	188,249	183,076	5,173
Assessor	69,167	69,167	69,968	(801)
Data processing	75,974	81,799	63,221	18,578
General government	120,283	120,283	98,762	21,521
Buildings and ground maintenance	<u>518,024</u>	<u>553,896</u>	<u>472,730</u>	<u>81,166</u>
Total General Government	<u>1,493,001</u>	<u>1,534,698</u>	<u>1,388,142</u>	<u>146,556</u>
Public Safety				
Police protection	4,788,524	4,788,524	4,696,363	92,161
Fire protection	1,781,844	1,781,844	1,709,447	72,397
Emergency government	11,080	11,080	11,348	(268)
Protective inspections	<u>264,812</u>	<u>264,812</u>	<u>217,311</u>	<u>47,501</u>
Total Public Safety	<u>6,846,260</u>	<u>6,846,260</u>	<u>6,634,469</u>	<u>211,791</u>
Public Works				
Engineer/director	195,587	195,587	192,517	3,070
Highway and street maintenance and construction	2,901,552	2,963,552	2,780,112	183,440
Solid waste recycling	<u>566,422</u>	<u>566,422</u>	<u>511,917</u>	<u>54,505</u>
Total Public Works	<u>3,663,561</u>	<u>3,725,561</u>	<u>3,484,546</u>	<u>241,015</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (cont.)</b>				
Culture and Recreation				
Library	\$ 809,123	\$ 878,490	\$ 831,530	\$ 46,960
Recreation	1,045,955	1,045,955	1,118,085	(72,130)
Senior center	115,548	115,548	103,321	12,227
Parks	<u>391,188</u>	<u>409,201</u>	<u>434,105</u>	<u>(24,904)</u>
Total Culture and Recreation	<u>2,361,814</u>	<u>2,449,194</u>	<u>2,487,041</u>	<u>(37,847)</u>
Conservation and Development				
Planning and zoning	170,408	188,625	156,603	32,022
Municipal development	<u>60,714</u>	<u>108,395</u>	<u>51,448</u>	<u>56,947</u>
Total Conservation and Development	<u>231,122</u>	<u>297,020</u>	<u>208,051</u>	<u>88,969</u>
Capital Outlay	<u>281,421</u>	<u>281,421</u>	<u>249,096</u>	<u>32,325</u>
Total Expenditures	<u>14,877,179</u>	<u>15,134,154</u>	<u>14,451,345</u>	<u>682,809</u>
 Excess (deficiency) of revenues over expenditures	 <u>(574,105)</u>	 <u>(831,080)</u>	 <u>130,798</u>	 <u>961,878</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	574,705	574,705	528,153	(46,552)
Transfers out	<u>(600)</u>	<u>(600)</u>	<u>-</u>	<u>600</u>
Total Other Financing Sources (Uses)	<u>574,105</u>	<u>574,105</u>	<u>528,153</u>	<u>(45,952)</u>
 <b>Net Change in Fund Balance</b>	 -	 (256,975)	 658,951	 915,926
 FUND BALANCE - Beginning of Year	 <u>4,269,492</u>	 <u>4,269,492</u>	 <u>4,269,492</u>	 <u>-</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u>\$ 4,269,492</u>	 <u>\$ 4,012,517</u>	 <u>\$ 4,928,443</u>	 <u>\$ 915,926</u>

See independent auditors' report and accompanying notes to required supplementary information.

**VILLAGE OF GERMANTOWN**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Asset</u>	<u>Proportionate Share of the Net Pension Asset</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.06091924%	\$ 1,496,343	\$ 7,018,809	21.32%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2015

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<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 554,307	\$ 554,307	\$ -	\$ 6,919,432	8.01%

See independent auditors' report and accompanying notes to the required supplementary information.

## VILLAGE OF GERMANTOWN

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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#### ***BUDGETARY INFORMATION***

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

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds Village Board action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$471,661. Budgets are adopted at the department level of expenditure.

#### ***WISCONSIN RETIREMENT SYSTEM***

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

The village is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

**SUPPLEMENTARY INFORMATION**

## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,205,942	\$ 2,205,942	\$ 2,205,942	\$ -
Investment income	10,000	10,000	4,020	(5,980)
Total Revenues	<u>2,215,942</u>	<u>2,215,942</u>	<u>2,209,962</u>	<u>(5,980)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	4,545,000	4,545,000	4,545,000	-
Interest and fiscal charges	<u>739,902</u>	<u>739,902</u>	<u>741,975</u>	<u>(2,073)</u>
Total Expenditures	<u>5,284,902</u>	<u>5,284,902</u>	<u>5,286,975</u>	<u>(2,073)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,068,960)</u>	<u>(3,068,960)</u>	<u>(3,077,013)</u>	<u>(8,053)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,005,613</u>	<u>2,005,613</u>	<u>2,061,144</u>	<u>55,531</u>
Total Other Financing Sources	<u>2,005,613</u>	<u>2,005,613</u>	<u>2,061,144</u>	<u>55,531</u>
<b>Net Change in Fund Balance</b>	(1,063,347)	(1,063,347)	(1,015,869)	47,478
FUND BALANCE - Beginning of Year	<u>1,785,323</u>	<u>1,785,323</u>	<u>1,785,323</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 721,976</u>	<u>\$ 721,976</u>	<u>\$ 769,454</u>	<u>\$ 47,478</u>

## **MAJOR CAPITAL PROJECTS FUNDS**

**General Capital Projects Fund** – This fund accounts for the acquisition and construction of major capital facilities and equipment used in general Village operations. This fund does not include capital facilities and equipment used in the Village's enterprise funds.

**Tax Increment District No. 4** – This fund accounts for the costs of land acquisition and infrastructure improvements related to development of a new industrial park. Financing will be provided primarily from general obligation note proceeds. It is anticipated that costs will be recovered by future incremental property taxes.

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 248,906	\$ 248,906	\$ 359,031	\$ 110,125
Intergovernmental	46,578	46,578	94,154	47,576
Investment income	52,490	52,490	44,692	(7,798)
Miscellaneous	-	-	28,758	28,758
Total Revenues	<u>347,974</u>	<u>347,974</u>	<u>526,635</u>	<u>178,661</u>
<b>EXPENDITURES</b>				
Capital outlay	2,676,000	3,086,840	3,166,065	(79,225)
Debt Service				
Debt issuance costs	<u>35,000</u>	<u>35,000</u>	<u>58,658</u>	<u>(23,658)</u>
Total Expenditures	<u>2,711,000</u>	<u>3,121,840</u>	<u>3,224,723</u>	<u>(102,883)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,363,026)</u>	<u>(2,773,866)</u>	<u>(2,698,088)</u>	<u>75,778</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of general obligation notes	2,616,000	2,616,000	2,655,000	39,000
Premium on long-term debt	-	-	70,246	70,246
Transfers out	<u>(304,700)</u>	<u>(304,700)</u>	<u>(358,203)</u>	<u>(53,503)</u>
Total Other Financing Sources (Uses)	<u>2,311,300</u>	<u>2,311,300</u>	<u>2,367,043</u>	<u>55,743</u>
<b>Net Change in Fund Balance</b>	(51,726)	(462,566)	(331,045)	131,521
FUND BALANCE - Beginning of Year	<u>2,277,229</u>	<u>2,277,229</u>	<u>2,277,229</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,225,503</u>	<u>\$ 1,814,663</u>	<u>\$ 1,946,184</u>	<u>\$ 131,521</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 4 CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,255,321	\$ 1,255,321	\$ 1,255,321	\$ -
Intergovernmental	35,000	35,000	37,082	2,082
Investment income	20,000	20,000	18,148	(1,852)
Miscellaneous	-	-	509,411	509,411
Total Revenues	<u>1,310,321</u>	<u>1,310,321</u>	<u>1,819,962</u>	<u>509,641</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	150,000	150,000	160,681	(10,681)
Capital outlay	<u>14,732</u>	<u>14,732</u>	<u>228,506</u>	<u>(213,774)</u>
Total Expenditures	<u>164,732</u>	<u>164,732</u>	<u>389,187</u>	<u>(224,455)</u>
Excess of revenues over expenditures	<u>1,145,589</u>	<u>1,145,589</u>	<u>1,430,775</u>	<u>285,186</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,494,621)</u>	<u>(1,494,621)</u>	<u>(1,494,621)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,494,621)</u>	<u>(1,494,621)</u>	<u>(1,494,621)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(349,032)	(349,032)	(63,846)	285,186
FUND BALANCE - Beginning of Year	<u>3,238,323</u>	<u>3,238,323</u>	<u>3,238,323</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,889,291</u>	<u>\$ 2,889,291</u>	<u>\$ 3,174,477</u>	<u>\$ 285,186</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The special revenue fund is used to account for specific revenues that are restricted or committed to expenditures for particular purposes.

**Police Impact Fee Fund** – This fund accounts for assets used for the construction of police facilities in the Village. Revenues are primarily raised through an impact fee on new residential and commercial development.

**Fire Impact Fee Fund** – This fund accounts for assets used for the construction of fire facilities in the Village. Revenues are primarily raised through an impact fee on new residential and commercial development.

**Library Impact Fee Fund** – This fund accounts for assets used for the construction of library facilities in the Village. Revenues are primarily raised through an impact fee on new residential development.

**Park and Recreation Impact Fee Fund** – This fund accounts for assets used for the construction of park and recreation facilities in the Village. Revenues are primarily raised through an impact fee on new residential development.

**Senior Van Replacement Fund** – This fund accounts for assets to be used for eventual replacement of a van used by the Village's Senior Center to provide transportation to senior citizens. Revenues are primarily raised from user fees collected from those using the service.

**Police Asset Forfeiture Fund** – This fund accounts for receipt and use of funds received from assets seized during drug related arrests.

**Police Canine Fund** – This fund accounts for Canine expense incurred with training and care of police canines.

**Historic Preservation Fund** – This fund account for receipts and uses of funds in relation to the Historical Preservation program.

**Library Fund** – This fund accounts for receipt and use of funds received from library donations. Funds are used for furniture and equipment.

**Facility Fees Fund** – This fund accounts for the receipt and use of funds for the Park and Recreation Department program fees and donations. Funds are used to assist with the maintenance and improvement of any indoor or outdoor facility used by the Park and Recreation Department.

### CAPITAL PROJECT FUND

**Tax Increment District No. 6** – This fund accounts for the costs of land acquisition and infrastructure improvements related to development of a new industrial park. Financing will be provided primarily from general obligation note proceeds. It is anticipated that costs will be recovered by future incremental property taxes.

## VILLAGE OF GERMANTOWN

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Special Revenue Funds				
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund	Senior Van Replacement Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 22,278
Receivables					
Taxes receivable	-	-	-	-	-
Accrued interest	-	-	-	-	64
Restricted Assets					
Cash and investments	56,884	31,852	20,368	127,299	-
Interest	<u>111</u>	<u>66</u>	<u>55</u>	<u>216</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 56,995</u></b>	<b><u>\$ 31,918</u></b>	<b><u>\$ 20,423</u></b>	<b><u>\$ 127,515</u></b>	<b><u>\$ 22,342</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	56,995	31,918	20,423	127,515	-
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,342</u>
Total Fund Balances	<u>56,995</u>	<u>31,918</u>	<u>20,423</u>	<u>127,515</u>	<u>22,342</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 56,995</u></b>	<b><u>\$ 31,918</u></b>	<b><u>\$ 20,423</u></b>	<b><u>\$ 127,515</u></b>	<b><u>\$ 22,342</u></b>

Special Revenue Funds					Capital Projects Funds	Total Nonmajor Governmental Funds
Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	TID No. 6 Capital Projects Fund	
\$ 29,520	\$ 57,564	\$ 303	\$ 113,624	\$ 75,942	\$ 4,951,264	\$ 5,250,495
-	-	-	-	-	1,168	1,168
39	128	3	-	134	6,322	6,690
-	-	-	-	-	-	236,403
-	-	-	-	-	-	448
<u>\$ 29,559</u>	<u>\$ 57,692</u>	<u>\$ 306</u>	<u>\$ 113,624</u>	<u>\$ 76,076</u>	<u>\$ 4,958,754</u>	<u>\$ 5,495,204</u>
<u>\$ 967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,967</u>
<u>967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,967</u>
-	-	-	-	-	1,168	1,168
-	-	-	-	-	1,168	1,168
-	-	-	113,624	-	4,954,586	5,305,061
<u>28,592</u>	<u>57,692</u>	<u>306</u>	<u>-</u>	<u>76,076</u>	<u>-</u>	<u>185,008</u>
<u>28,592</u>	<u>57,692</u>	<u>306</u>	<u>113,624</u>	<u>76,076</u>	<u>4,954,586</u>	<u>5,490,069</u>
<u>\$ 29,559</u>	<u>\$ 57,692</u>	<u>\$ 306</u>	<u>\$ 113,624</u>	<u>\$ 76,076</u>	<u>\$ 4,958,754</u>	<u>\$ 5,495,204</u>

## VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2015

	Special Revenue Funds				
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund	Senior Van Replacement Fund
<b>REVENUES</b>					
Public charges for services	\$ 11,087	\$ 21,150	\$ 6,744	\$ 17,664	\$ 2,737
Investment income	401	213	176	960	161
Miscellaneous	-	-	-	-	-
Total Revenues	<u>11,488</u>	<u>21,363</u>	<u>6,920</u>	<u>18,624</u>	<u>2,898</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>11,488</u>	<u>21,363</u>	<u>6,920</u>	<u>18,624</u>	<u>2,898</u>
<b>OTHER FINANCING USES</b>					
Transfers out	-	(26,000)	(13,000)	-	-
Total Other Financing Uses	<u>-</u>	<u>(26,000)</u>	<u>(13,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	11,488	(4,637)	(6,080)	18,624	2,898
FUND BALANCES - Beginning of Year	<u>45,507</u>	<u>36,555</u>	<u>26,503</u>	<u>108,891</u>	<u>19,444</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 56,995</u>	<u>\$ 31,918</u>	<u>\$ 20,423</u>	<u>\$ 127,515</u>	<u>\$ 22,342</u>

Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	TID No. 6 Capital Projects Fund	
\$ -	\$ -	\$ -	\$ -	\$ 35,115	\$ -	\$ 94,497
172	373	7	13	516	12,023	15,015
<u>10,598</u>	<u>18,671</u>	<u>600</u>	<u>2,558</u>	<u>-</u>	<u>-</u>	<u>32,427</u>
<u>10,770</u>	<u>19,044</u>	<u>607</u>	<u>2,571</u>	<u>35,631</u>	<u>12,023</u>	<u>141,939</u>
2,564	3,936	-	-	-	-	6,500
-	-	646	77	18,073	-	18,796
-	-	-	-	-	54,254	54,254
-	-	-	-	-	<u>36,726</u>	<u>36,726</u>
<u>2,564</u>	<u>3,936</u>	<u>646</u>	<u>77</u>	<u>18,073</u>	<u>90,980</u>	<u>116,276</u>
<u>8,206</u>	<u>15,108</u>	<u>(39)</u>	<u>2,494</u>	<u>17,558</u>	<u>(78,957)</u>	<u>25,663</u>
-	-	-	-	-	<u>(169,320)</u>	<u>(208,320)</u>
-	-	-	-	-	<u>(169,320)</u>	<u>(208,320)</u>
8,206	15,108	(39)	2,494	17,558	(248,277)	(182,657)
<u>20,386</u>	<u>42,584</u>	<u>345</u>	<u>111,130</u>	<u>58,518</u>	<u>5,202,863</u>	<u>5,672,726</u>
<u>\$ 28,592</u>	<u>\$ 57,692</u>	<u>\$ 306</u>	<u>\$ 113,624</u>	<u>\$ 76,076</u>	<u>\$ 4,954,586</u>	<u>\$ 5,490,069</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE IMPACT FEE FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 3,000	\$ 3,000	\$ 11,087	\$ 8,087
Investment income	288	288	401	113
Total Revenues	<u>3,288</u>	<u>3,288</u>	<u>11,488</u>	<u>8,200</u>
<b>Net Change in Fund Balance</b>	3,288	3,288	11,488	8,200
FUND BALANCE - Beginning of Year	<u>45,507</u>	<u>45,507</u>	<u>45,507</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 48,795</u>	<u>\$ 48,795</u>	<u>\$ 56,995</u>	<u>\$ 8,200</u>

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FIRE IMPACT FEE FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 5,000	\$ 5,000	\$ 21,150	\$ 16,150
Investment income	240	240	213	(27)
Total Revenues	<u>5,240</u>	<u>5,240</u>	<u>21,363</u>	<u>16,123</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(26,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(20,760)	(20,760)	(4,637)	16,123
FUND BALANCE - Beginning of Year	<u>36,555</u>	<u>36,555</u>	<u>36,555</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 15,795</u>	<u>\$ 15,795</u>	<u>\$ 31,918</u>	<u>\$ 16,123</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY IMPACT FEE FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 3,000	\$ 3,000	\$ 6,744	\$ 3,744
Investment income	175	175	176	1
Total Revenues	<u>3,175</u>	<u>3,175</u>	<u>6,920</u>	<u>3,745</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(13,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(9,825)	(9,825)	(6,080)	3,745
FUND BALANCE - Beginning of Year	<u>26,503</u>	<u>26,503</u>	<u>26,503</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 16,678</u>	<u>\$ 16,678</u>	<u>\$ 20,423</u>	<u>\$ 3,745</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - PARK AND RECREATION IMPACT FEE FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 5,000	\$ 5,000	\$ 17,664	\$ 12,664
Investment income	550	550	960	410
Total Revenues	<u>5,550</u>	<u>5,550</u>	<u>18,624</u>	<u>13,074</u>
<b>Net Change in Fund Balance</b>	5,550	5,550	18,624	13,074
FUND BALANCE - Beginning of Year	<u>108,891</u>	<u>108,891</u>	<u>108,891</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 114,441</u>	<u>\$ 114,441</u>	<u>\$ 127,515</u>	<u>\$ 13,074</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - SENIOR VAN REPLACEMENT FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 2,500	\$ 2,500	\$ 2,737	\$ 237
Investment income	160	160	161	1
Total Revenues	<u>2,660</u>	<u>2,660</u>	<u>2,898</u>	<u>238</u>
<b>Net Change in Fund Balance</b>	2,660	2,660	2,898	238
FUND BALANCE - Beginning of Year	<u>19,444</u>	<u>19,444</u>	<u>19,444</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,104</u>	<u>\$ 22,104</u>	<u>\$ 22,342</u>	<u>\$ 238</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE ASSET FORFEITURE FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 50	\$ 50	\$ 172	\$ 122
Miscellaneous	-	-	10,598	10,598
Total Revenues	<u>50</u>	<u>50</u>	<u>10,770</u>	<u>10,720</u>
<b>EXPENDITURES</b>				
Public safety	<u>4,000</u>	<u>4,000</u>	<u>2,564</u>	<u>1,436</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,564</u>	<u>1,436</u>
<b>Net Change in Fund Balance</b>	(3,950)	(3,950)	8,206	12,156
FUND BALANCE - Beginning of Year	<u>20,386</u>	<u>20,386</u>	<u>20,386</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 16,436</u>	<u>\$ 16,436</u>	<u>\$ 28,592</u>	<u>\$ 12,156</u>

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE CANINE FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 400	\$ 400	\$ 373	\$ (27)
Miscellaneous	7,000	7,000	18,671	11,671
<b>Total Revenues</b>	<u>7,400</u>	<u>7,400</u>	<u>19,044</u>	<u>11,644</u>
<b>EXPENDITURES</b>				
Public safety	7,000	7,000	3,936	3,064
<b>Total Expenditures</b>	<u>7,000</u>	<u>7,000</u>	<u>3,936</u>	<u>3,064</u>
<b>Net Change in Fund Balance</b>	400	400	15,108	14,708
FUND BALANCE - Beginning of Year	<u>42,584</u>	<u>42,584</u>	<u>42,584</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 42,984</u>	<u>\$ 42,984</u>	<u>\$ 57,692</u>	<u>\$ 14,708</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 600	\$ 600	\$ -	\$ (600)
Investment income	3	3	7	4
Miscellaneous	-	-	600	600
Total Revenues	<u>603</u>	<u>603</u>	<u>607</u>	<u>4</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>469</u>	<u>469</u>	<u>646</u>	<u>(177)</u>
Total Expenditures	<u>469</u>	<u>469</u>	<u>646</u>	<u>(177)</u>
<b>Net Change in Fund Balance</b>	134	134	(39)	(173)
FUND BALANCE - Beginning of Year	<u>345</u>	<u>345</u>	<u>345</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 479</u>	<u>\$ 479</u>	<u>\$ 306</u>	<u>\$ (173)</u>

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 100	\$ 100	\$ 13	\$ (87)
Miscellaneous	5,000	5,000	2,558	(2,442)
Total Revenues	<u>5,100</u>	<u>5,100</u>	<u>2,571</u>	<u>(2,529)</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>500</u>	<u>500</u>	<u>77</u>	<u>423</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>77</u>	<u>423</u>
<b>Net Change in Fund Balance</b>	4,600	4,600	2,494	(2,106)
FUND BALANCE - Beginning of Year	<u>111,130</u>	<u>111,130</u>	<u>111,130</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 115,730</u>	<u>\$ 115,730</u>	<u>\$ 113,624</u>	<u>\$ (2,106)</u>

## VILLAGE OF GERMANTOWN

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FACILITY FEES FUND For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 30,000	\$ 30,000	\$ 35,115	\$ 5,115
Investment income	300	300	516	216
Total Revenues	<u>30,300</u>	<u>30,300</u>	<u>35,631</u>	<u>5,331</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>22,000</u>	<u>22,000</u>	<u>18,073</u>	<u>3,927</u>
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>18,073</u>	<u>3,927</u>
<b>Net Change in Fund Balance</b>	8,300	8,300	17,558	9,258
FUND BALANCE - Beginning of Year	<u>58,518</u>	<u>58,518</u>	<u>58,518</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 66,818</u>	<u>\$ 66,818</u>	<u>\$ 76,076</u>	<u>\$ 9,258</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 6 CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 4,000	\$ 4,000	\$ 12,023	\$ 8,023
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>12,023</u>	<u>8,023</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	360,056	360,056	54,254	305,802
Capital outlay	2,203,932	2,203,932	36,726	2,167,206
Debt Service				
Debt issuance costs	<u>6,167</u>	<u>6,167</u>	-	<u>6,167</u>
Total Expenditures	<u>2,570,155</u>	<u>2,570,155</u>	<u>90,980</u>	<u>2,479,175</u>
Excess of revenues over expenditures	<u>(2,566,155)</u>	<u>(2,566,155)</u>	<u>(78,957)</u>	<u>2,487,198</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(169,320)	(169,320)	(169,320)	-
Issuance of general obligation notes	<u>1,060,935</u>	<u>1,060,935</u>	-	<u>(1,060,935)</u>
Total Other Financing Sources (Uses)	<u>891,615</u>	<u>891,615</u>	<u>(169,320)</u>	<u>(1,060,935)</u>
<b>Net Change in Fund Balance</b>	(1,674,540)	(1,674,540)	(248,277)	1,426,263
FUND BALANCE - Beginning of Year	<u>5,202,863</u>	<u>5,202,863</u>	<u>5,202,863</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,528,323</u>	<u>\$ 3,528,323</u>	<u>\$ 4,954,586</u>	<u>\$ 1,426,263</u>

## **INTERNAL SERVICE FUNDS**

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, on a cost reimbursement basis.

**Health Insurance Fund** – This fund accounts for operations of the Village's self-funded health insurance plan.

**Dental Insurance Fund** – This fund accounts for operations of the Village's self-funded dental insurance plan.

# VILLAGE OF GERMANTOWN

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2015

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	Health Insurance Fund	Dental Insurance Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 990,244	\$ 30,631	\$ 1,020,875
Receivables			
Interest	<u>558</u>	<u>205</u>	<u>763</u>
Total Assets	<u>990,802</u>	<u>30,836</u>	<u>1,021,638</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	<u>29,618</u>	<u>8,597</u>	<u>38,215</u>
Total Current Liabilities	<u>29,618</u>	<u>8,597</u>	<u>38,215</u>
Total Liabilities	<u>29,618</u>	<u>8,597</u>	<u>38,215</u>
<b>NET POSITION</b>			
Unrestricted	<u>961,184</u>	<u>22,239</u>	<u>983,423</u>
<b>TOTAL NET POSITION</b>	<u>\$ 961,184</u>	<u>\$ 22,239</u>	<u>\$ 983,423</u>

## VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

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	Health Insurance Fund	Dental Insurance Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>			
Premiums	\$ 1,739,819	\$ 89,247	\$ 1,829,066
Total Operating Revenues	<u>1,739,819</u>	<u>89,247</u>	<u>1,829,066</u>
<b>OPERATING EXPENSES</b>			
General government	<u>1,386,637</u>	<u>95,149</u>	<u>1,481,786</u>
Total Operating Expenses	<u>1,386,637</u>	<u>95,149</u>	<u>1,481,786</u>
 Operating Income (Loss)	<u>353,182</u>	<u>(5,902)</u>	<u>347,280</u>
<b>NONOPERATING REVENUES</b>			
Investment income	<u>6,054</u>	<u>215</u>	<u>6,269</u>
Total Nonoperating Revenues	<u>6,054</u>	<u>215</u>	<u>6,269</u>
 Change in net position	359,236	(5,687)	353,549
 NET POSITION - Beginning of Year	<u>601,948</u>	<u>27,926</u>	<u>629,874</u>
 <b>NET POSITION - END OF YEAR</b>	<u>\$ 961,184</u>	<u>\$ 22,239</u>	<u>\$ 983,423</u>

## VILLAGE OF GERMANTOWN

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	Health Insurance Fund	Dental Insurance Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from other funds	\$ 1,742,051	\$ 89,436	\$ 1,831,487
Paid to suppliers for goods and services	(1,606,769)	(94,633)	(1,701,402)
Net Cash Flows From Operating Activities	135,282	(5,197)	130,085
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	6,214	204	6,418
Net Cash Flows From Investing Activities	6,214	204	6,418
<b>Net Change in Cash and Cash Equivalents</b>	141,496	(4,993)	136,503
CASH AND CASH EQUIVALENTS - Beginning of Year	848,748	35,624	884,372
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 990,244	\$ 30,631	\$ 1,020,875
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 353,182	\$ (5,902)	\$ 347,280
Changes in assets and liabilities			
Accounts receivable	2,232	189	2,421
Accounts payable	(220,132)	516	(219,616)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 135,282	\$ (5,197)	\$ 130,085
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None			

## FIDUCIARY FUND

Fiduciary funds are used to account for funds held by the Village in a trustee capacity.

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

**Tax Collection Agency Fund** – This fund is used to account for property tax collections made by the Village on behalf of other governing bodies.

**VILLAGE OF GERMANTOWN**

STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUND  
For the Year Ended December 31, 2015

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	Balance 1-1-15	Additions	Deductions	Balance 12-31-15
<b>TAX COLLECTION FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 23,478,939	\$ 23,075,402	\$ 23,478,939	\$ 23,075,402
Taxes receivable	7,036,889	7,631,482	7,036,889	7,631,482
TOTAL ASSETS	<u>\$ 30,515,828</u>	<u>\$ 30,706,884</u>	<u>\$ 30,515,828</u>	<u>\$ 30,706,884</u>
<b>Liabilities</b>				
Accounts payable	\$ 313,744	\$ 88,003	\$ 313,744	\$ 88,003
Due to other governments	30,202,084	30,618,881	30,202,084	30,618,881
TOTAL LIABILITIES	<u>\$ 30,515,828</u>	<u>\$ 30,706,884</u>	<u>\$ 30,515,828</u>	<u>\$ 30,706,884</u>

**Village of Germantown, Wisconsin**  
**Statement of Net Position by Component**  
*(Accrual Basis of Accounting)*  
**Last Ten Fiscal Years**

Table 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net Investment in Capital Assets	18,315,569	59,170,101	60,629,681	60,703,733	60,262,007	59,220,933	60,028,464	59,389,835	58,828,409	59,461,387
Restricted	418,460	274,575	270,559	197,242	206,743	4,503,846	5,969,086	6,064,600	10,384,891	10,350,597
Unrestricted (deficit)	(10,645,920)	(6,989,638)	(6,601,150)	(5,002,450)	(2,677,990)	(3,764,048)	(3,104,646)	(1,654,758)	(4,827,536)	(1,627,476)
<b>Total governmental activities net assets</b>	<u>8,088,109</u>	<u>52,455,038</u>	<u>54,299,090</u>	<u>55,898,525</u>	<u>57,790,760</u>	<u>59,960,731</u>	<u>62,892,904</u>	<u>63,799,677</u>	<u>64,385,764</u>	<u>68,184,508</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	57,294,509	57,837,003	59,454,979	60,229,375	59,584,183	59,199,387	58,229,635	57,104,949	57,657,469	57,037,753
Restricted	912,566	980,003	791,539	809,221	686,986	624,121	625,311	639,877	683,237	835,537
Unrestricted	8,755,011	8,538,585	6,928,221	5,616,294	5,317,582	5,390,007	6,676,728	8,005,572	8,284,532	10,311,120
<b>Total business-type activities net assets</b>	<u>66,962,086</u>	<u>67,355,591</u>	<u>67,174,739</u>	<u>66,654,890</u>	<u>65,588,751</u>	<u>65,213,515</u>	<u>65,531,674</u>	<u>65,750,398</u>	<u>66,625,238</u>	<u>68,184,410</u>
<b>Primary Government</b>										
Net Investment in Capital Assets	75,610,078	115,535,791	120,084,660	119,825,570	118,990,035	117,692,446	117,942,715	116,394,112	116,205,203	116,250,142
Restricted	1,331,026	1,254,578	1,062,098	1,006,463	893,729	5,127,967	6,594,397	6,704,480	11,068,128	11,186,134
Unrestricted	(1,890,909)	3,020,260	327,071	1,721,382	3,495,747	2,353,833	3,887,466	6,451,486	3,737,671	8,932,642
<b>Total primary government net assets</b>	<u>75,050,195</u>	<u>119,810,629</u>	<u>121,473,829</u>	<u>122,553,415</u>	<u>123,379,511</u>	<u>125,174,246</u>	<u>128,424,578</u>	<u>129,550,078</u>	<u>131,011,002</u>	<u>136,368,918</u>

**Village of Germantown, Wisconsin**  
**Changes in Net Position**  
**(Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

Table 2

<b>Expenses</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>										
General government	1,578,821	1,586,703	2,442,247	1,971,196	1,699,476	1,716,352	1,740,499	1,653,929	1,723,573	1,770,668
Public safety	6,471,625	6,681,154	7,019,248	6,614,304	6,990,716	7,018,081	6,819,595	7,279,873	7,373,151	7,186,673
Public works	2,955,348	4,845,105	4,915,205	4,656,839	4,910,645	5,419,423	5,801,748	5,726,927	5,287,992	5,421,794
Culture and recreation	1,945,603	2,301,880	2,498,668	2,359,466	2,433,334	2,505,974	2,564,589	2,622,495	2,905,723	2,822,020
Conservation and development	341,906	414,328	689,757	343,793	308,014	269,046	254,211	757,450	2,090,544	365,437
Interest & Fiscal charges	<u>1,737,875</u>	<u>1,515,214</u>	<u>1,512,404</u>	<u>1,392,104</u>	<u>1,235,140</u>	<u>1,113,907</u>	<u>941,011</u>	<u>1,013,868</u>	<u>751,307</u>	<u>894,302</u>
<b>Total governmental activities expense</b>	<u>15,031,178</u>	<u>17,344,384</u>	<u>19,077,529</u>	<u>17,337,702</u>	<u>17,577,325</u>	<u>18,042,783</u>	<u>18,121,653</u>	<u>19,054,542</u>	<u>20,132,290</u>	<u>18,460,894</u>
<b>Business-type activities</b>										
Water	2,060,422	1,695,380	2,024,793	1,604,727	1,814,474	1,846,078	1,967,345	1,972,682	2,092,364	1,939,864
Wastewater	<u>4,550,535</u>	<u>4,652,053</u>	<u>5,014,472</u>	<u>4,796,423</u>	<u>5,016,187</u>	<u>5,202,166</u>	<u>5,488,406</u>	<u>5,533,202</u>	<u>5,571,720</u>	<u>6,026,848</u>
<b>Total business-type activities expenses</b>	<u>6,610,957</u>	<u>6,347,433</u>	<u>7,039,265</u>	<u>6,401,150</u>	<u>6,830,661</u>	<u>7,048,244</u>	<u>7,455,751</u>	<u>7,505,884</u>	<u>7,664,084</u>	<u>7,966,712</u>
<b>Total primary government expenses</b>	<u>21,642,135</u>	<u>23,691,817</u>	<u>26,116,794</u>	<u>23,738,852</u>	<u>24,407,986</u>	<u>25,091,027</u>	<u>25,577,404</u>	<u>26,560,426</u>	<u>27,796,374</u>	<u>26,427,606</u>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for Services										
General government	233,533	204,502	263,333	265,483	279,204	266,974	310,657	312,260	305,520	320,634
Public safety	758,944	786,486	877,071	719,415	731,949	828,539	960,015	1,052,083	1,158,225	1,099,257
Public works	207,661	286,385	249,199	190,342	166,902	242,763	252,638	271,587	271,855	223,462
Culture and recreation	391,106	550,741	787,828	839,153	926,718	887,803	923,857	939,005	1,001,646	1,086,100
Conservation and development	10,788	16,619	14,638	8,562	7,973	8,487	14,578	13,808	14,861	15,662
Operating grants and contributions	1,562,009	1,406,230	1,463,307	1,430,906	1,466,068	1,590,826	1,427,396	1,458,894	1,466,066	1,519,883
Capital grants and contributions	<u>2,283,484</u>	<u>262,821</u>	<u>2,468,296</u>	<u>617,381</u>	<u>370,030</u>	<u>65,370</u>	<u>536,093</u>	<u>86,063</u>	<u>111,489</u>	<u>227,012</u>
<b>Total governmental activities program revenues</b>	<u>5,447,525</u>	<u>3,513,784</u>	<u>6,123,672</u>	<u>4,071,242</u>	<u>3,948,844</u>	<u>3,890,762</u>	<u>4,425,234</u>	<u>4,133,700</u>	<u>4,329,662</u>	<u>4,492,010</u>
<b>Business-type activities</b>										
Charges for services:										
Water and Wastewater	5,111,457	5,293,989	5,306,858	5,353,302	5,806,478	6,612,628	7,958,180	8,181,716	8,097,648	9,368,757
Capital Grants and contributions	<u>1,840,802</u>	<u>1,429,684</u>	<u>1,721,377</u>	<u>956,876</u>	<u>432,757</u>	<u>579,958</u>	<u>381,262</u>	<u>118,335</u>	<u>928,330</u>	<u>349,330</u>
<b>Total business-type activities program revenues</b>	<u>6,952,259</u>	<u>6,723,673</u>	<u>7,028,235</u>	<u>6,310,178</u>	<u>6,239,235</u>	<u>7,192,586</u>	<u>8,339,442</u>	<u>8,300,051</u>	<u>9,025,978</u>	<u>9,718,087</u>
<b>Total primary government program revenues</b>	<u>12,399,784</u>	<u>10,237,457</u>	<u>13,151,907</u>	<u>10,381,420</u>	<u>10,188,079</u>	<u>11,083,348</u>	<u>12,764,676</u>	<u>12,433,751</u>	<u>13,355,640</u>	<u>14,210,097</u>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(9,583,653)	(13,830,600)	(12,953,857)	(13,266,460)	(13,628,481)	(14,152,021)	(13,696,419)	(14,920,842)	(15,802,628)	(13,968,884)
Business-type Activities	<u>341,302</u>	<u>376,240</u>	<u>(11,030)</u>	<u>(90,972)</u>	<u>(591,426)</u>	<u>144,342</u>	<u>883,691</u>	<u>794,167</u>	<u>1,361,894</u>	<u>1,751,375</u>
<b>Total Primary government net expense</b>	<u>(9,242,351)</u>	<u>(13,454,360)</u>	<u>(12,964,887)</u>	<u>(13,357,432)</u>	<u>(14,219,907)</u>	<u>(14,007,679)</u>	<u>(12,812,728)</u>	<u>(14,126,675)</u>	<u>(14,440,734)</u>	<u>(12,217,509)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302	13,716,374	13,844,967	12,906,557	12,825,330
Intergovernmental revenues	764,356	745,847	721,801	1,006,788	987,881	971,494	1,027,432	1,001,520	946,067	993,240
Investment income	744,941	780,428	515,428	143,110	111,559	151,222	126,365	65,225	135,166	123,261
Other	<u>313,916</u>	<u>549,603</u>	<u>701,768</u>	<u>355,390</u>	<u>399,508</u>	<u>893,020</u>	<u>1,178,751</u>	<u>341,198</u>	<u>1,871,679</u>	<u>568,135</u>
<b>Total General Revenues Government Activities</b>	<u>13,162,791</u>	<u>14,045,665</u>	<u>14,351,150</u>	<u>14,381,460</u>	<u>14,987,069</u>	<u>15,773,038</u>	<u>16,048,922</u>	<u>15,252,910</u>	<u>15,859,469</u>	<u>14,509,966</u>
<b>Business-type Activities:</b>										
Investment Income (Loss)	477,402	439,874	276,937	55,558	58,934	29,376	14,138	(738)	42,192	45,226
Other	<u>7,194</u>	<u>4,246</u>	<u>-</u>							
<b>Total General Revenues Business-type Activities</b>	<u>484,596</u>	<u>444,120</u>	<u>276,937</u>	<u>55,558</u>	<u>58,934</u>	<u>29,376</u>	<u>14,138</u>	<u>(738)</u>	<u>42,192</u>	<u>45,226</u>
<b>Total Primary Government</b>	<u>13,647,387</u>	<u>14,489,785</u>	<u>14,628,087</u>	<u>14,437,018</u>	<u>15,046,003</u>	<u>15,802,414</u>	<u>16,063,060</u>	<u>15,252,172</u>	<u>15,901,661</u>	<u>14,555,192</u>
<b>Change in Net Position</b>										
Governmental Activities	3,579,138	641,920	1,844,052	1,599,435	1,892,235	2,169,971	2,932,173	906,773	586,087	1,069,235
Business-type Activities	<u>825,898</u>	<u>393,505</u>	<u>(180,852)</u>	<u>(519,849)</u>	<u>(1,066,139)</u>	<u>(375,236)</u>	<u>318,159</u>	<u>218,724</u>	<u>874,840</u>	<u>1,268,448</u>
<b>Total Primary Government</b>	<u>4,405,036</u>	<u>1,035,425</u>	<u>1,663,200</u>	<u>1,079,586</u>	<u>826,096</u>	<u>1,794,735</u>	<u>3,250,332</u>	<u>1,125,497</u>	<u>1,460,927</u>	<u>2,337,683</u>

**Village of Germantown, Wisconsin**  
**Fund Balances, Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

Table 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved for:										
Non-current receivables	72,297	53,389	78,841	88,735	99,505	-	-	-	-	-
Payment in lieu of taxes	397,051	426,855	446,759	484,435	533,647	-	-	-	-	-
Designated for carryovers	-	-	-	-	91,263	-	-	-	-	-
Undesignated	1,351,728	1,274,521	919,250	1,277,719	1,817,020	-	-	-	-	-
Nonspendable	-	-	-	-	-	65,937	54,782	67,183	149,592	2,248
Assigned - payment in lieu of taxes	-	-	-	-	-	548,954	579,670	574,705	529,246	528,153
Assigned - carryovers	-	-	-	-	-	254,097	328,036	202,503	187,608	471,661
Unassigned	-	-	-	-	-	2,385,601	2,993,040	3,271,462	3,403,046	3,926,381
<b>Total general fund</b>	<b>1,821,076</b>	<b>1,754,765</b>	<b>1,444,850</b>	<b>1,850,889</b>	<b>2,541,435</b>	<b>3,254,589</b>	<b>3,955,528</b>	<b>4,115,853</b>	<b>4,269,492</b>	<b>4,928,443</b>
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	96,166	91,956	(160,612)	40,002	233,960	-	-	-	-	-
Impact fees	317,792	170,204	164,883	89,031	97,765	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Subsequent year's budget	71,988	-	-	-	-	-	-	-	-	-
Special revenue funds	131,510	156,964	141,272	144,210	144,403	-	-	-	-	-
Capital projects funds	8,983,241	10,721,714	6,328,402	5,271,241	5,087,893	-	-	-	-	-
Nonspendable	-	-	-	-	-	613,074	-	-	770,061	-
Restricted	-	-	-	-	-	5,357,194	7,022,469	6,424,392	10,809,624	9,331,635
Committed	-	-	-	-	-	51,544	61,986	94,394	141,277	185,008
Assigned	-	-	-	-	-	1,079,892	795,282	1,023,168	1,252,639	1,863,541
<b>Total all other governmental funds</b>	<b>9,600,697</b>	<b>11,140,838</b>	<b>6,473,945</b>	<b>5,544,484</b>	<b>5,564,021</b>	<b>7,101,704</b>	<b>7,879,737</b>	<b>7,541,954</b>	<b>12,973,601</b>	<b>11,380,184</b>
<b>Total fund balance, governmental funds</b>	<b>11,421,773</b>	<b>12,895,603</b>	<b>7,918,795</b>	<b>7,395,373</b>	<b>8,105,456</b>	<b>10,356,293</b>	<b>11,835,265</b>	<b>11,657,807</b>	<b>17,243,093</b>	<b>16,308,627</b>

Note: In 2011, the village implemented GASB #54, which resulted in new fund balance categories. Prior years have not been restated.

**Village of Germantown, Wisconsin**  
*Changes in Fund Balances, Total Governmental Funds*  
*(Modified Accrual Basis of Accounting)*  
*Last Ten Fiscal Years*

Table 4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302	13,716,374	13,846,626	12,868,874	12,814,338
Special Assessments	42,981	41,197	360,183	314,115	263,451	284,381	288,768	309,302	339,950	363,716
Intergovernmental	2,241,776	2,066,985	2,130,360	2,392,593	2,607,078	2,535,027	2,415,344	2,436,164	2,364,696	2,462,718
Regulation and compliance	815,177	879,076	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161	1,095,844
Public charges for services	839,198	1,015,107	1,189,955	1,206,923	1,285,042	1,334,581	1,484,777	1,627,811	1,691,512	1,721,835
Interdepartmental charges	47,879	47,507	49,819	61,995	53,000	95,000	-	-	-	-
Investment income	738,942	768,997	508,194	148,150	106,457	148,577	125,851	63,566	133,479	115,493
Miscellaneous	199,944	318,030	230,299	244,627	249,299	886,517	2,007,897	200,216	2,059,497	706,697
<b>Total Revenues</b>	<b>16,265,475</b>	<b>17,106,686</b>	<b>17,882,294</b>	<b>18,052,996</b>	<b>18,865,891</b>	<b>19,955,021</b>	<b>21,058,900</b>	<b>19,516,846</b>	<b>20,632,169</b>	<b>19,280,641</b>
<b>Expenditures</b>										
General Government	1,362,802	1,394,515	1,720,719	1,406,082	1,379,302	1,379,656	1,400,870	1,339,722	1,411,749	1,388,142
Public Safety	5,746,110	6,098,318	6,255,463	6,234,761	6,300,325	6,348,425	6,307,225	6,778,485	6,878,681	6,640,969
Public Works	2,661,380	2,869,919	3,185,020	2,895,063	3,019,435	3,449,314	3,357,717	3,506,966	3,542,386	3,484,546
Culture and recreation	1,732,756	1,947,208	2,155,065	2,142,035	2,198,980	2,267,406	2,279,802	2,357,270	2,409,242	2,505,837
Conservation and development	259,997	208,872	234,035	222,248	207,684	199,172	187,562	692,834	452,337	422,986
Capital Outlay	1,464,489	2,696,907	5,782,571	2,140,462	2,124,425	1,768,244	3,799,649	2,932,305	4,328,230	3,680,393
Debt Service										
Principal	3,902,919	4,043,705	4,391,009	8,056,367	4,087,338	4,001,301	4,989,891	3,808,657	5,477,985	4,545,000
Interest and fiscal charges	1,484,269	1,465,533	1,435,035	1,348,891	1,056,393	1,079,467	930,029	722,234	617,882	741,975
Debt issuance costs	37,625	83,873	5,384	50,656	100,434	44,039	80,370	35,536	147,838	58,658
<b>Total Expenditures</b>	<b>18,652,347</b>	<b>20,808,850</b>	<b>25,164,301</b>	<b>24,496,565</b>	<b>20,474,316</b>	<b>20,537,024</b>	<b>23,333,115</b>	<b>22,174,009</b>	<b>25,266,330</b>	<b>23,468,506</b>
<b>Excess (Deficiency) of Revenues</b>										
<b>Over Expenditures</b>	<b>(2,386,872)</b>	<b>(3,702,164)</b>	<b>(7,282,007)</b>	<b>(6,443,569)</b>	<b>(1,608,425)</b>	<b>(582,003)</b>	<b>(2,274,215)</b>	<b>(2,657,163)</b>	<b>(4,634,161)</b>	<b>(4,187,865)</b>
<b>Other Financing Sources (Uses):</b>										
Proceeds from the sale of land	103,990	334,080	363,940	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	-	-	151,380	-
Issuance of general obligation notes	2,520,000	4,410,000	1,480,000	1,695,172	1,795,000	2,200,000	2,370,000	1,905,000	8,050,000	2,655,000
Issuance of refunding debt	-	-	-	3,740,000	3,905,000	-	3,890,000	-	1,065,000	-
Premium on long-term debt	39,705	5,059	-	-	3,740	83,886	-	-	423,821	70,246
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	(3,918,339)	-	(3,086,483)	-	-	-
Transfers In	5,481,301	4,203,589	4,289,162	4,278,973	4,810,633	4,944,003	4,957,030	5,874,391	2,634,962	2,589,297
Transfers Out	(5,043,205)	(3,776,734)	(3,827,903)	(3,794,538)	(4,276,986)	(4,395,049)	(4,377,360)	(5,299,686)	(2,105,716)	(2,061,144)
<b>Total Other Financing</b>										
<b>Uses</b>	<b>3,101,791</b>	<b>5,175,994</b>	<b>2,305,199</b>	<b>5,919,607</b>	<b>2,319,048</b>	<b>2,832,840</b>	<b>3,753,187</b>	<b>2,479,705</b>	<b>10,219,447</b>	<b>3,253,399</b>
<b>Net Change in Fund Balances</b>	<b>714,919</b>	<b>1,473,830</b>	<b>(4,976,808)</b>	<b>(523,962)</b>	<b>710,623</b>	<b>2,250,837</b>	<b>1,478,972</b>	<b>(177,458)</b>	<b>5,585,286</b>	<b>(934,466)</b>
Debt Service as a percentage of noncapital expenditures <sup>(1)</sup>	30.63%	28.77%	28.64%	41.56%	27.71%	26.76%	29.27%	23.02%	26.71%	26.51%

Note: The village began to report accrual information when it implemented GASB Statement #34 in fiscal year 2003  
2007 includes Governmental activities capitalized infrastructure assets prior to 2003

<sup>(1)</sup> Amount of capital outlay that was not capitalized in 2015 - \$155,969

**Village of Germantown, Wisconsin**  
*Assessed Value and Estimated Actual Value of Taxable Property*  
*Last Ten Fiscal Years*

Table 5

Fiscal Year Ended Dec 31.	Real Property		Personal Property		Total		Village Total Direct Tax Rate	Ratio of Assessed to Equalized
	Assessed	Equalized Value	Assessed	Equalized Value	Assessed	Equalized Value		
2006	1,700,675,800	2,165,532,100	39,896,774	51,436,300	1,740,572,574	2,216,968,400	0.565	78.51%
2007	1,751,057,400	2,300,461,600	44,217,733	56,937,300	1,795,275,133	2,357,398,900	0.574	76.15%
2008	2,332,772,100	2,364,052,785	59,876,656	60,679,556	2,392,648,756	2,424,732,341	0.449	98.68%
2009	2,371,176,000	2,383,612,200	60,983,950	61,526,000	2,432,159,950	2,445,138,200	0.458	99.47%
2010	2,358,535,000	2,319,246,300	58,963,483	59,121,100	2,417,498,483	2,378,367,400	0.461	101.65%
2011	2,355,846,200	2,295,471,300	55,989,303	54,905,600	2,411,835,503	2,350,376,900	0.466	102.61%
2012	2,367,827,500	2,194,612,000	56,286,738	54,047,300	2,424,114,238	2,248,659,300	0.465	107.80%
2013	2,387,341,800	2,140,736,100	66,930,800	61,419,400	2,454,272,600	2,202,155,500	0.466	111.45%
2014	2,253,243,300	2,219,153,200	60,869,700	64,198,900	2,314,113,000	2,283,352,100	0.497	101.19%
2015	2,333,948,300	2,351,421,300	57,268,100	54,492,100	2,391,216,400	2,405,913,400	0.510	99.64%

All equalized valuations of property in the State of Wisconsin are determined by the State of WI, Department of Revenue, Supervisor of Assessment Office. Equalized valuations are the State's estimate of full market value.

The State determines assessed valuation of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors. New and improved residential and commercial property located within the Village are assessed annually by the local assessor. At hearings held each year a taxpayer may appeal the assessments of his property to the Board of Review of the local municipality. The Board of Review consists of local assessors, local officials, and citizen appointees. The assessors do not have a vote on final determinations.

The State's full value law mandates that all assessable property in the State be valued by 100% of market value. Statutes, case law, and administrative rules require that each major class of property (except agricultural property) be kept within 10% of that full value at least once in the past four years. Village wide revaluations are then undertaken

**Village of Germantown, Wisconsin**

Table 6

*Direct and Overlapping Property Tax Rates (per \$1,000 of assessed value), before State School Credits  
Last Ten Fiscal Years*

Fiscal Year Ended Dec 31.	Village Direct Rates			Total Tax Rate	Germantown School District	Overlapping Rates			Total Tax Levy
	Basic	Debt Service	Capital Projects			Washington County	Milwaukee Area Technical College	State of Wisconsin	
2006	4.44	1.21	0.00	5.65	11.38	3.68	2.25	0.22	23.19
2007	4.60	1.14	0.00	5.74	11.42	3.69	2.33	0.22	23.40
2008	3.54	0.95	0.00	4.49	9.09	2.75	1.86	0.17	18.36
2009	3.73	0.85	0.00	4.58	9.64	2.79	1.92	0.17	19.10
2010	3.87	0.74	0.00	4.61	10.12	2.81	1.89	0.17	19.60
2011	3.86	0.80	0.00	4.66	9.87	2.78	1.90	0.17	19.38
2012	3.83	0.82	0.00	4.65	9.56	2.67	1.96	0.16	19.01
2013	3.77	0.89	0.00	4.66	8.83	2.57	1.91	0.15	18.12
2014	3.99	0.98	0.00	4.97	9.37	2.66	1.25	0.17	18.42
2015	4.02	1.08	0.00	5.10	9.20	2.62	1.27	0.17	18.35

Source: Village of Germantown Finance Department, Assessors Department and Village records

**Village of Germantown, Wisconsin**

*Full Value Rates for Property Taxes expressed in dollars per \$1,000 of equalized value (excluding TIF)  
Last Eight Fiscal Years*

Year Levied Tax Collected	Local	<sup>1</sup> Schools	County	<sup>2</sup> Other	<sup>3</sup> Total Full Value Effective Rate
2008/09	4.42	10.80	2.71	1.23	16.57
2009/10	4.55	11.50	2.78	1.35	17.52
2010/11	4.69	12.20	2.86	1.50	18.41
2011/12	4.79	12.07	2.86	1.45	18.35
2012/13	5.02	12.43	2.88	1.57	18.88
2013/14	5.19	11.97	2.86	0.84	19.19
2014/15	5.04	10.77	2.69	0.74	17.67
2015/16	5.07	10.40	2.60	0.18	17.24

- 1 The Schools tax rate reflects the composite rate of all local school districts and the technical college districts
- 2 Includes the state reforestation tax which is apportioned to each county on the basis of its full value Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes any tax increment and taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts.
- 3 Property tax less state property tax credit (not including lottery credit).

**Village of Germantown, Wisconsin**

Table 7

*Principal Property Tax Payers*

*Current Year and Nine Years Ago*

<u>Taxpayer</u>	<u>Estimated Equalized Value ,</u>	<u>2015</u>	<u>Taxable Equalized Value</u>	<u>2006</u>
		<u>Percentage Village's Total Equalized Value</u>		<u>Percentage Village's Total Equalized Value</u>
The Gables of Germantown LLC	21,570,792	0.90%		
Airgas Safety	17,249,107			
Meridian Germantown LLC	16,455,783	0.68%		
Cambridge Major Laboratories	15,719,060	0.65%	9,768,437	0.44%
Sentinel Germantown	15,087,010	0.63%		
Stonehedge Properties	11,804,123	0.49%	15,071,583	0.68%
Stag Germantown LLC	9,300,108	0.39%		
Germantown Properties	8,619,206	0.36%	9,341,995	0.42%
Menard's	8,547,761	0.36%	12,694,303	0.57%
Phylmack LLC	8,436,957	0.35%		
Compass Properties			12,610,113	0.57%
Brick Kiln LLC			12,557,636	0.57%
Moldmakers			11,897,465	0.54%
Germantown Plaza			9,743,727	0.44%
Mills Properties			8,264,985	0.37%
Fountain Square			8,060,850	0.36%
<b>Total</b>	<b>\$132,789,907</b>	<b>5.52%</b>	<b>\$110,011,094</b>	<b>4.96%</b>

Source:

*Village of Germantown Finance Department, Assessors Department and Village records  
 , Estimated by dividing the assessed values by the ratio of assessed to equalized value for the Village  
 Sources CAFR 20016 & Final Official Statements April 18, 2016*

a) Total Equalized Value January 1, 2015 = \$ 2,405,913,400  
 b) Total Equalized Value January 1, 2006 = \$ 2,216,968,400

**Village of Germantown, Wisconsin**  
*Property Tax Levies and Collections*  
*Last Ten Fiscal Years*

Table 8

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy <sup>1</sup>		Collection in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	39,291,496	30,541,604	77.73%	8,730,001	39,271,605	99.95%
2006	40,037,157	30,842,279	77.03%	9,177,937	40,020,216	99.96%
2007	40,367,810	30,653,899	75.94%	9,697,590	40,351,489	99.96%
2008	42,012,204	31,243,429	74.37%	10,748,884	41,992,313	99.95%
2009	46,443,430	34,109,304	73.44%	12,303,856	46,413,160	99.93%
2010	47,372,096	34,787,132	73.43%	12,564,999	47,352,132	99.96%
2011	47,124,290	35,643,828	75.64%	11,466,927	47,110,755	99.97%
2012	46,077,496	34,372,703	74.60%	11,667,411	46,040,113	99.92%
2013	44,480,179	33,599,277	75.54%	10,871,870	44,471,147	99.98%
2014	42,623,918	33,491,084	78.57%	9,076,714	42,567,798	99.87%
2015	43,890,361	33,301,519	75.87%	**		

\*\* Still in process

Source: Village Finance Department

Notes: Amounts collected include Village of Germantown and all other taxing bodies which make up the total levy.

<sup>1</sup> The amount shown is net of the State Tax Credit

<sup>2</sup> Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing authorities on or about August 20 of the collection year  
 Personal Property is collected by municipality

**Village of Germantown, Wisconsin**  
*Water & Wastewater Utility - Customer Count*  
*Last Ten Fiscal Years*

Table 9

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Water and Sewer</b>										
Number of Water Customers	5,355	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440
Average Daily Water Consumption (gallons)	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,424,038	1,516,312	1,749,041	1,798,090	1,914,348
Number of Wastewater Customers	5,619	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682

**Village of Germantown, Wisconsin**  
**Water Utility Customer Summary**  
**Last Ten Fiscal Years**

Table 10

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013*	2014	2015
<b>Number of customers</b>										
Residential	4,537	4,595	4,628	4,636	4,663	4,670	4,685	4,727	4,774	4,840
Res - Multi-Family*								107	107	108
Commercial	772	785	801	802	802	523	528	432	433	451
Industrial	27	27	21	21	21	21	22	22	22	22
Public	19	19	19	20	24	24	20	23	23	19
<b>Total</b>	<b>5,355</b>	<b>5,426</b>	<b>5,469</b>	<b>5,479</b>	<b>5,510</b>	<b>5,238</b>	<b>5,255</b>	<b>5,311</b>	<b>5,359</b>	<b>5,440</b>
<b>Gallons (thousands)</b>										
Residential	312,186	312,443	306,127	301,575	281,134	281,405	314,016	278,289	264,880	270,293
Res - Multi-Family*								49,595	49,317	51,143
Commercial	147,232	167,068	168,601	177,733	170,811	180,989	176,460	119,599	106,747	121,561
Industrial	43,435	44,493	36,936	34,067	43,368	47,300	53,276	181,544	227,407	247,368
Public	8,910	10,248	10,774	11,231	9,928	10,080	9,702	9,373	7,952	8,372
<b>Total</b>	<b>511,763</b>	<b>534,252</b>	<b>522,438</b>	<b>524,606</b>	<b>505,241</b>	<b>519,774</b>	<b>553,454</b>	<b>638,400</b>	<b>656,303</b>	<b>698,737</b>

\* New Public Service Commission Required Class Code - Effective 2013 - derived from Commercial

**Village of Germantown, Wisconsin**  
**Water Utility Customer Rates**  
**Last Ten Fiscal Years**

Table 11

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Metered Service</b>				*	**			***	****	
<b>Quarterly Service Charge</b>										
5/8 inch meter	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27
3/4 inch meter	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27
1 inch meter	\$22.50	\$22.50	\$22.50	\$23.18	\$24.00	24.00	24.00	24.72	25.46	25.46
1 1/4 inch meter	\$30.75	\$30.75	\$30.75	\$31.67	\$33.00	33.00	33.00	33.99	35.01	35.01
1 1/2 inch meter	\$39.00	\$39.00	\$39.00	\$40.17	\$42.00	42.00	42.00	43.26	44.56	44.56
2 inch meter	\$60.00	\$60.00	\$60.00	\$61.80	\$63.00	63.00	63.00	64.89	66.84	66.84
3 inch meter	\$99.00	\$99.00	\$99.00	\$101.97	\$105.00	105.00	105.00	108.15	111.39	111.39
4 inch meter	\$156.00	\$156.00	\$156.00	\$160.68	\$162.00	162.00	162.00	166.86	171.87	171.87
6 inch meter	\$288.00	\$288.00	\$288.00	\$296.64	\$300.00	300.00	300.00	309.00	318.24	318.24
8 inch meter	\$444.00	\$444.00	\$444.00	\$457.32	\$462.00	462.00	462.00	475.86	490.14	490.14
10 inch meter	\$648.00	\$648.00	\$648.00	\$667.44	\$675.00	675.00	675.00	695.25	716.11	716.11
12 inch meter	\$855.00	\$855.00	\$855.00	\$880.65	\$891.00	891.00	891.00	917.73	945.26	945.26
<b>Volume rate (per 1,000 gallons)</b>										
First 100,000 gallons	\$1.94	\$1.94	\$1.94	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22	\$2.29	\$2.29
Next 900,000 gallons	\$1.65	\$1.65	\$1.65	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91	\$1.97	\$1.97
Over 1,000,000 gallons	\$1.42	\$1.42	\$1.42	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62	\$1.67	\$1.67
<b>Public Fire Protection</b>										
Annual service charge to the Village of Germantown	\$491,824	\$491,824	\$491,824	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776	\$537,429	\$537,429
<b>Private Fire Protection</b>										
<b>Quarterly Service Charge</b>										
2 inch or smaller connection	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
3 inch connection	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
4 inch connection	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
6 inch connection	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00
8 inch connection	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00
10 inch connection	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
12 inch connection	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00

\* 3% Simplified Rate Increase effective 12/15/2009

\*\* 9% Rate Increase effective 9/15/2010

\*\*\* 3% Simplified Rate Increase effective 12/15/2013

\*\*\*\* 3% Simplified Rate Increase effective 12/15/2014

Source: Village of Germantown Utility Records

**Village of Germantown, Wisconsin**  
*Wastewater Utility Customer Summary*  
*Last Ten Fiscal Years*

Table 12

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
<b>Number of customers</b>										
Residential	4,294	4,348	4,380	4,389	4,412	4,419	4,432	4,473	4,519	4,564
Commercial	1,278	1,290	1,301	1,308	1,308	1,028	1,027	1,026	1,031	1,066
Industrial	27	27	26	27	29	29	31	32	32	31
Public	20	20	20	20	21	21	21	21	21	21
<b>Total</b>	<b>5,619</b>	<b>5,685</b>	<b>5,727</b>	<b>5,744</b>	<b>5,770</b>	<b>5,497</b>	<b>5,511</b>	<b>5,552</b>	<b>5,603</b>	<b>5,682</b>
<b>Gallons (thousands)</b>										
Residential	297,732	297,855	291,335	296,805	266,797	268,106	298,742	263,821	251,582	255,996
Commercial	150,343	159,093	160,627	168,260	165,434	174,766	171,901	159,206	139,755	160,665
Industrial	132,347	144,392	138,293	117,070	142,091	160,703	194,685	216,399	189,970	307,978
Public	8,130	9,095	9,237	9,666	7,953	7,893	7,368	7,264	8,035	8,304
<b>Total</b>	<b>588,552</b>	<b>610,435</b>	<b>599,492</b>	<b>591,801</b>	<b>582,275</b>	<b>611,468</b>	<b>672,696</b>	<b>646,690</b>	<b>589,342</b>	<b>732,943</b>

Source: Village of Germantown Utility Records

\*2011 - A decrease in # of customers is due to a change in reporting directed by the Wisconsin Public Service Commission. A Condominium complex in the Village is currently individually billed even though the consumption of water is based off of a singular meter. The PSC directed us to change the prior (286) customer count to (1) customer, the Association, to match the meter count.

**Village of Germantown, Wisconsin**  
**Wastewater Utility Customer Rates**  
**Last Ten Fiscal Years**

Table 13

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Metered Service</b>					*	**	***	****		*****	
Quarterly Service Charge											
5/8 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01
3/4 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01
1 inch meter	\$37.00	\$37.00	\$37.00	\$37.00	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29	\$74.02	\$74.02
1 1/2 inch meter	\$51.00	\$51.00	\$51.00	\$51.00	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75	\$102.02	\$102.02
2 inch meter	\$66.00	\$66.00	\$66.00	\$66.00	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01	\$132.02	\$132.02
3 inch meter	\$101.00	\$101.00	\$101.00	\$101.00	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67	\$202.03	\$202.03
4 inch meter	\$181.00	\$181.00	\$181.00	\$181.00	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14	\$362.06	\$362.06
6 inch meter	\$296.00	\$296.00	\$296.00	\$296.00	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26	\$592.08	\$592.08
Volume rate (per 1,000 gallons)											
All Classes	\$4.32	\$4.32	\$4.32	\$4.32							
Residential Only					\$4.32	\$4.752	\$5.465	\$6.285	\$6.285	\$6.913	\$6.913
Commercial, Industrial, Public					\$5.40	\$5.940	\$6.831	\$7.856	\$7.856	\$8.641	\$8.641
<b>General Unmetered Service</b>											
Flat rate	\$96.68	\$96.68	\$96.68	\$96.68	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93	\$162.75	\$162.75
based on avg. usage (gal.)/qtr.	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750

\* Rate Increase effective September 15, 2009

\*\*10% Rate Increase effective 9/15/2010

\*\*\*15% Rate Increase effective 6/15/2011

\*\*\*\* 15% Rate Increase effective 12/15/2011

\*\*\*\*\* 10% Rate Increase effective 12/15/2014

Source: Village of Germantown Utility Records

**Village of Germantown, Wisconsin**

Table 14

*Ratio of Outstanding Debt  
Last Ten Fiscal Years*

Fiscal Year Ended December 31,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita Personal Income (thousands)
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other Obligations	Water Utility Revenue Bonds	Water & Sewer Utility Notes			
2006	14,315,000	5,350,000	18,163,474	135,081	1,130,000	-	39,093,555	6.03%	\$1,185
2007	14,000,000	8,285,000	15,982,583	91,376	1,090,000	-	39,448,959	6.07%	\$1,195
2008	12,540,000	8,960,000	14,186,661	46,367	1,045,000	-	36,778,028	5.39%	\$1,060
2009	9,540,000	7,880,000	13,990,738	1,695,172	1,048,574	-	34,154,484	5.01%	\$984
2010	5,135,000	8,525,000	15,917,927	1,467,834	1,666,067	-	32,711,828	4.77%	\$943
2011	4,345,000	9,435,000	14,278,605	1,261,533	1,649,069	-	30,969,207	4.51%	\$893
2012	735,000	10,410,000	16,170,407	251,642	1,566,328	-	29,133,377	4.11%	\$814
2013	410,000	10,845,000	14,272,770	127,985	1,482,713	-	27,138,468	3.84%	\$760
2014	5,790,000	11,760,000	12,146,752	-	1,393,201	-	31,089,953	4.38%	\$872
2015	5,765,000	11,540,000	10,528,381	-	1,302,768	-	29,136,149	4.11%	\$803

Note: *Details regarding the Village's outstanding debt can be found in the notes to the financial statements. Section F. Long Term Obligations*

*Personal income data and population data can be found on Table 19*

**Village of Germantown, Wisconsin**  
*Ratio of General Bonded Debt Outstanding*  
*Last Ten Fiscal years*

Table 15

Fiscal Year Ended December 31,	General Bonded Debt Outstanding			Less: Amounts Reserved for Debt Service	Total	Percentage of Long -Term Debt to Equalized Value	Equalized Valuation	Net Long-term Debt per Population	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds						
2006	14,315,000	5,350,000	18,163,474	(96,166)	37,732,308	1.70%	2,216,968,400	1,924	19,607
2007	14,000,000	8,285,000	15,982,583	(91,956)	38,175,627	1.62%	2,357,398,900	1,943	19,650
2008	12,540,000	8,960,000	14,186,661	-	35,686,661	1.47%	2,424,848,300	1,816	19,650
2009	9,540,000	7,880,000	13,990,738	(40,002)	31,370,736	1.28%	2,445,138,200	1,596	19,650
2010	5,135,000	8,525,000	15,917,927	(233,960)	29,343,967	1.23%	2,378,367,400	1,486	19,749
2011	4,345,000	9,435,000	14,278,605	(355,159)	27,703,446	1.18%	2,350,376,900	1,401	19,772
2012	735,000	10,410,000	16,170,407	(287,051)	27,028,356	1.20%	2,248,659,300	1,365	19,803
2013	410,000	10,845,000	14,272,770	(2,697,292)	22,830,478	1.04%	2,202,155,500	1,152	19,811
2014	5,790,000	11,760,000	12,146,752	(1,785,323)	27,911,429	1.22%	2,283,352,100	1,403	19,891
2015	5,765,000	11,540,000	10,528,381	(769,454)	27,063,927	1.12%	2,405,913,400	1,355	19,972

*Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.  
 Population 2014 as current 2010 census with estimation, 2005 - 2009 population figure is an estimate of 2000 census,  
 2013 American Community Survey, US Census Bureau, April 18, 2016 Official Statement*

**Village of Germantown, Wisconsin**  
*Direct and Overlapping Governmental Activities Debt*  
*As of December 31, 2015*

Table 16

<u>Governmental Unit</u>	<u>2015 Equalized Value</u>	<u>Total G.O. Debt Outstanding</u>	<u>Village EV Percentage of District</u>	<u>Village Proportionate Share</u>
Milwaukee Area Technical College	72,680,645,252	110,325,000	3.3103% <sup>1</sup>	3,652,088
Germantown School District	3,213,509,888	15,587,000	74.8687%	11,669,784
Washington County	<u>13,367,424,000</u>	<u>12,535,000</u>	17.9983%	<u>2,256,087</u>
Subtotal, overlapping debt	89,261,579,140	138,447,000	0.73% <sup>2</sup>	17,577,960
Village Direct Debt	2,405,913,400	<u>27,833,381</u>	100.000%	<u>27,833,381</u>
Village Debt to Equalized Value		166,280,381	1.16% <sup>3</sup>	
Total Direct and overlapping debt				45,411,341
Debt Per Capita Village General Obligation Debt				1,393.62 <sup>4</sup>
Debt Per Capita Village Share of Overlapping Debt				<u>880.13</u>
				2,273.75

Source: *Financial Officers of the overlapping School Districts and Counties, Official Statement dated April 18, 2016*

- <sup>1</sup> Percentage of village equalized value to district equalized value.
- <sup>2</sup> Percentage of village overlapping debt outstanding to village equalized value
- <sup>3</sup> Percentage of village outstanding debt to village equalized
- <sup>4</sup> Population 2015 estimate 19,972, debt per capita

**Village of Germantown, Wisconsin**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Table 17

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legal Debt Margin calculations for Fiscal Year 2015										
2015 Equalized Valuation										\$2,405,913,400
Debt Limit (5% of current equalized value)										\$120,295,670
Debt applicable to limit - General obligation bonds										\$27,355,000
Legal Debt margin										\$92,940,670
<b>Statutory Debt Limit</b>	\$110,848,420	\$117,869,945	\$121,242,415	\$122,256,910	\$118,918,370	\$117,518,845	\$112,432,965	\$110,107,775	\$114,167,605	\$120,295,670
<b>Total Net Debt Applicable to limit</b>	\$37,885,081	\$38,281,376	\$35,661,367	\$33,040,172	\$31,012,834	\$29,211,533	\$27,511,642	\$25,607,985	\$29,245,000	\$27,355,000
<b>Unused Debt Limit</b>	\$72,963,339	\$79,588,569	\$85,581,048	\$89,216,738	\$87,905,536	\$88,307,312	\$84,921,323	\$84,499,790	\$84,922,605	\$92,940,670
<b>Total Net Debt Applicable to the limit as a percentage of debt limit</b>	34.18%	32.48%	29.41%	27.03%	26.08%	24.86%	24.47%	23.26%	25.62%	22.74%

Village of Germantown, Wisconsin  
Pledged - Revenue Coverage - Utility  
Last Ten Fiscal Years

Table 18

Fiscal Year Ended December 31,	Utility Service Charge	Less Operating Expenses	Net Available Revenue	Water Revenue Bonds			Accreted Value	Coverage Expected	Actual Debt Coverage
				Debt Service		Total			
				Principal	Interest				
2006	2,111,350	1,520,113	591,237	-	65,246	65,246	\$ 81,558	1.25	9.06
2007	2,127,442	1,124,983	1,002,459	40,000	44,655	84,655	\$ 105,819	1.25	11.84
2008	2,118,557	1,466,180	652,377	45,000	43,415	88,415	\$ 110,519	1.25	7.38
2009	2,078,944	1,067,973	1,010,971	45,000	41,998	86,998	\$ 108,748	1.25	11.62
2010	2,043,893	1,080,606	963,287	45,000	49,657	94,657	\$ 118,321	1.25	10.18
2011	2,144,659	1,057,880	1,086,779	79,224	57,520	136,743	\$ 170,929	1.25	7.95
2012	2,260,951	1,172,581	1,088,370	82,741	56,653	139,394	\$ 174,243	1.25	7.81
2013	2,428,842	1,170,210	1,258,632	83,615	53,967	137,582	\$ 171,978	1.25	9.15
2014	2,560,579	1,293,026	1,267,553	89,512	51,259	140,771	\$ 175,964	1.25	9.00
2015	2,652,039	1,138,846	1,513,193	90,433	48,263	138,696	\$ 173,369	1.25	10.91

Note: Details regarding the village's outstanding debt can be found in the notes to the financial statements, F, Long Term Debt, Revenue Debt. Operating expenses do not include interest on long term debt, depreciation or amortization expense

Debt service is for the Water Utility Revenue Bonds Only, Sewer Utility is debt free

**Village of Germantown, Wisconsin**  
*Demographic and Economic Indicators*  
*Last Ten Fiscal Years*

Table 19

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (thous)</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2006	19,606	\$648,645	\$33.084	39.5	3,862	4.10%
2007	19,650	\$650,101	\$33.084	39.5	3,902	4.10%
2008	19,650	\$681,757	\$34.695	39.5	3,939	4.30%
2009	19,650	\$681,757	\$34.695	39.5	3,985	8.60%
2010	19,749	\$685,192	\$34.695	41.7	4,013	8.20%
2011	19,772	\$686,049	\$34.698	41.7	4,013	6.10%
2012	19,803	\$708,571	\$35.781	40.2	4,013	6.40%
2013	19,811	\$707,055	\$35.690	41.4	3,976	5.10%
2014	19,891	\$709,512	\$35.670	41.9	3,931	4.30%
2015	19,972	\$725,063	\$36.304	42.0	4,000	3.40%

Note: *Population - Wisconsin Department of Administration, Demographic Services Center estimates, 2010 census*

*US Bureau of Economic Analysis*

*Wisconsin Department of Workforce Development, Office of Economic Advisors, per capita income*

*School Enrollment - Germantown School District, includes parts of Richfield and Hubertus, WI Dept of Public Instruction*

*Unemployment - Wisconsin Department of Workforce Development, Division of Workforce Excellence (Washington*

*County) Rates not compiled for individual communities with populations under 25,000, AVG Washington County*

*US Census Bureau, and 2013 American Community Survey*

[www.factfinder2.census.gov](http://www.factfinder2.census.gov)

*Official Statement April 2016*

**Village of Germantown, Wisconsin**

Table 20

*Principal Employers*

*Current Year and Nine Years Ago*

Employer	2015			2006		
	<sup>2</sup> Employees	Rank	Percentage of Total Village Population	<sup>1</sup> Employees	Rank	Percentage of Total Village Population
Germantown School District	626	1	3.13%	505	1	2.58%
David Frank Landscape	300	9	1.50%			
GKN Sintered Metals				450	2	2.30%
Village of Germantown	<sup>3</sup> 467	5	2.34%			
Rock - Tenn (prev. Smurfit)	209	10	1.05%	225	4	1.15%
J.W. Speaker Company	500	4	2.50%	175	8	0.89%
Airgas Corporation				200	6	1.02%
Gehl's Foods	400	8	2.00%			
Moldmakers	400	7	2.00%			
Pick n Save				150	10	0.77%
International Food Solutions				160	9	0.82%
Techstar Mfg	400	6	2.00%	350	3	1.79%
MGS Mfg	600	2	3.00%	200	5	1.02%
Ellsworth Adhesives	501	3	2.51%	187	7	0.95%
Total	4,403		22.05%	2602		13.27%

4

4

Source:

<sup>1</sup> Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated April 15, 2006

<sup>2</sup> Taken from Final Official Statement for General Obligation Notes, Dated April 18, 2016  
Reference USA, written and telephone survey ( February 2016), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development

<sup>3</sup> Includes full-time, part-time and seasonal employment

<sup>4</sup> Village of Germantown 2010 US Census population 19,749 and a current estimated population of 19,972  
Census 2000, demographic profile 18,260, estimate 2006 19,606

**Village of Germantown, Wisconsin**

Table 21

*Full-time Equivalent Village Government Employees by Function/Program  
Last Ten Fiscal Years*

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	7.30	7.20	7.20	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety	59.35	59.35	59.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35
Public Works	17.01	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16
Culture & Recreation	20.62	22.12	24.12	23.12	23.12	23.12	23.12	23.50	23.50	23.50
Conservation & Development	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Water	8.10	8.10	8.10	7.30	7.30	7.30	7.30	7.30	7.30	7.30
Sewer	<u>7.84</u>	<u>7.84</u>	<u>7.84</u>	<u>7.04</u>						
Total *	122.12	123.67	125.67	119.57	119.57	119.57	119.57	119.95	119.95	119.95
Total # of W2's	361	393	423	400	397	402	399	426	434	467

Source: Village of Germantown, \* Total count equals regular full time and part time personnel, does not include seasonal, recreational or Paid on Call Fire & Rescue

**Village of Germantown, Wisconsin**  
*Operating Indicators by Function/Program*  
*Last Ten Fiscal Years*

Table 22

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Police										
Number of Sworn Officers	31	31	31	31	31	31	31	31	31	31
Number of Citations	2,441	2,122	2,539	2,453	2,823	2,682	3,207	3,150	2,539	2,888
Fire										
Number of Employees - Full Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Part Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Paid on Call	35	35	35	35	35	35	35	35	35	38
<b>Public Works</b>										
Street Surfacing (miles)	4.41	6.00	3.65	3.27	2.34	3.89	5.39	2.77	1.83	1.03
Asphalt Repairs (miles)	2.79	0.75	0.25	0.00	0.25	0.45	0.95	0.10	0.75	0.42
<b>Culture &amp; Recreation</b>										
Parks										
Acreage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library										
Volumes in Collection	122,979	129,442	139,314	146,685	159,589	176,121	174,269	175,186	154,917*	155,249
<b>Water and Sewer</b>										
Number of Water Customers	5,355	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440
Average Daily Water Consumption (gallons)	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,425,405	1,516,312	1,749,041	1,798,090	1,914,348
Number of Sewer Customers	5,619	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682

\* 2014 Library Collections - removed more volumes than usual, back issues of magazine, video's, more than half of books on cassette

**Village of Germantown, Wisconsin**  
*Capital Asset Statistics by Function/Program*  
*Last Ten Fiscal Years*

Table 23

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of Road (miles)	129.75	129.75	129.96	129.96	129.96	129.30	129.58	129.58	129.58	129.69
Sidewalks (miles)	18.00	19.00	19.45	19.45	19.66	19.76	19.76	20.38	20.38	20.48
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	6	6	7	7	7	7	7	7	7
Tennis Courts	13	13	13	13	13	13	13	13	13	13
Spraygrounds	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	86.95	88.20	88.20	88.55	88.38	88.99	89.152	89.074	89.599	89.600
Fire Hydrants	1,107	1,125	1,125	1,130	1,133	1,142	1,301	1,301	1,308	1,308
Sewer										
Sanitary Sewer (miles)	87.02	88.41	89.05	89.05	89.34	89.50	90.09	90.09	90.62	90.62

Source: Village of Germantown Department Directors and capital asset inventory records

2012 Fire Hydrant count increase due to the reconciliation of hydrants reported to the GIS System

**Village of Germantown, Wisconsin**  
**Building Permits**  
**Last Seven Fiscal Years**

Table 24

Type	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>No. of All Building Permits</u></b>								
Including additions & remodeling	539	454	496	432	490	598	607	554
<b><u>Valuation of All Building Permits</u></b>								
Including additions & remodeling	\$51,530,379	\$22,032,771	\$16,523,902	\$23,367,537	\$36,865,276	\$ 34,817,008	\$ 55,636,764	\$ 53,736,810
<b><u>New Single Family Homes</u></b>								
No. of building permits	27	15	18	25	24	54	60	40
Valuation	\$7,889,846	\$3,536,955	\$4,977,791	\$7,023,748	\$5,888,340	\$13,640,425	\$14,212,683	\$8,660,736
<b><u>New Multiple Family Buildings</u></b>								
No. of building permits	2	1	1	0	2	9	2	0
No. of units	4	2	2	0	4	18	4	0
Valuation	\$660,000	\$362,000	\$362,000	\$0	\$825,000	\$3,022,250	\$1,080,000	\$0
<b><u>New Commercial/Industrial Buildings</u></b>								
No. of building permits	13	2	70	2	7	1	4	6
Valuation	\$27,689,176	\$1,195,000	\$7,355,819	\$8,430,000	\$15,618,091	\$3,100,000	\$18,548,000	\$9,421,000