VILLAGE OF GERMANTOWN

Comprehensive Annual Financial Report

WISCONSIN

Fiscal Year ending December 31, 2016

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, 2016

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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Finance Department

PO Box 337

Germantown WI 53022

June 28, 2017

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, 2016, 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, 2016. 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 2016 estimated population is 20,008. 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 <u>Best Places to Live 2015</u>.

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.

The Village Board's updated Fund Balance Policy establishes 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 2016 unassigned fund balance is 28.9% of subsequent years expenditure budget. Should an unassigned fund balance of the General Fund exceed 20%, the Village may consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional staffing or recurring expenditures.

Economic Conditions and Outlook

The Village's $2.5 billion tax base of equalized value is primarily residential (68.4%) but has a sizeable commercial (19.32%) and manufacturing (8.9%) presence also. The Village had 38 new single family housing starts, comparable to the 40 permits in 2015, plus 2 new commercial/industrial permits, showing a total of 623 building permits in 2016. Total permits in 2015 was 554. The Village's overall equalized value increased by 3.99%, following an increase of 5.37% the previous year. The average Unemployment rate for Washington county is 3.1%, which is lower than the Wisconsin State average of 3.7% 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.

The Germantown School District's $84 million bond resolution was approved in the November 2106 election which will add to and remodel each of its elementary schools, their junior high and high school. This includes the construction of a swimming pool, auditorium and field house at the high school.

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 new facilities. The full valuation of these additions will positively impact our valuation for years to come. The park is essentially fully built and is slated to close out in 2021.

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. The District is fully improved and lots are ready for sale. 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, 2015. This was 28 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,

David R. Schornack

Kim E. Rath
Finance Director

David R. Schornack
Village Administrator

LIST OF PRINCIPAL OFFICIALS as of December 31, 2016

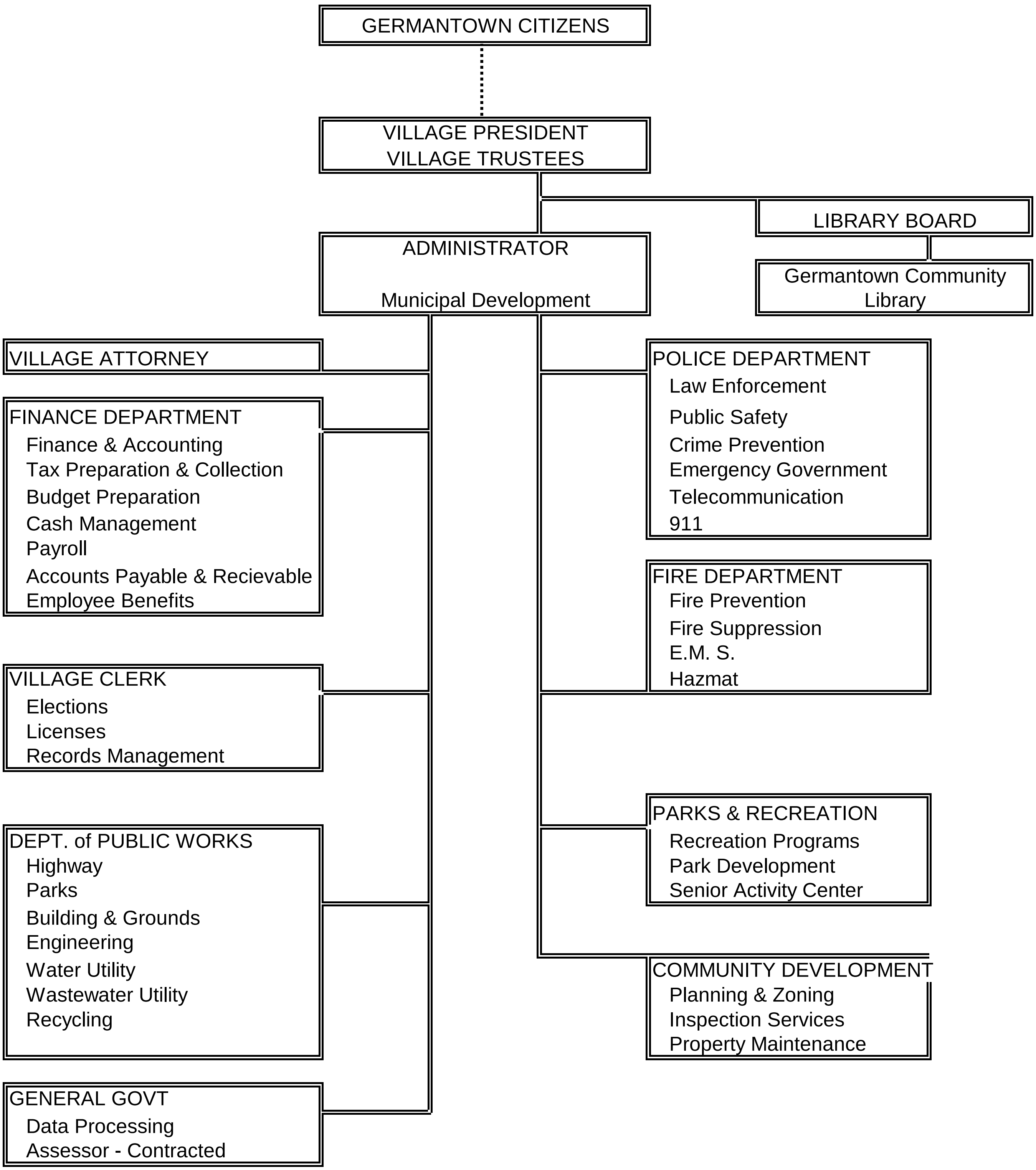
ELECTED OFFICIALS

TITLE	NAME
Village President	Dean Wolter
Village Trustee - District 1	David Baum
Village Trustee - District 1	Terri Kaminski
Village Trustee - District 2	Al Campbell
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

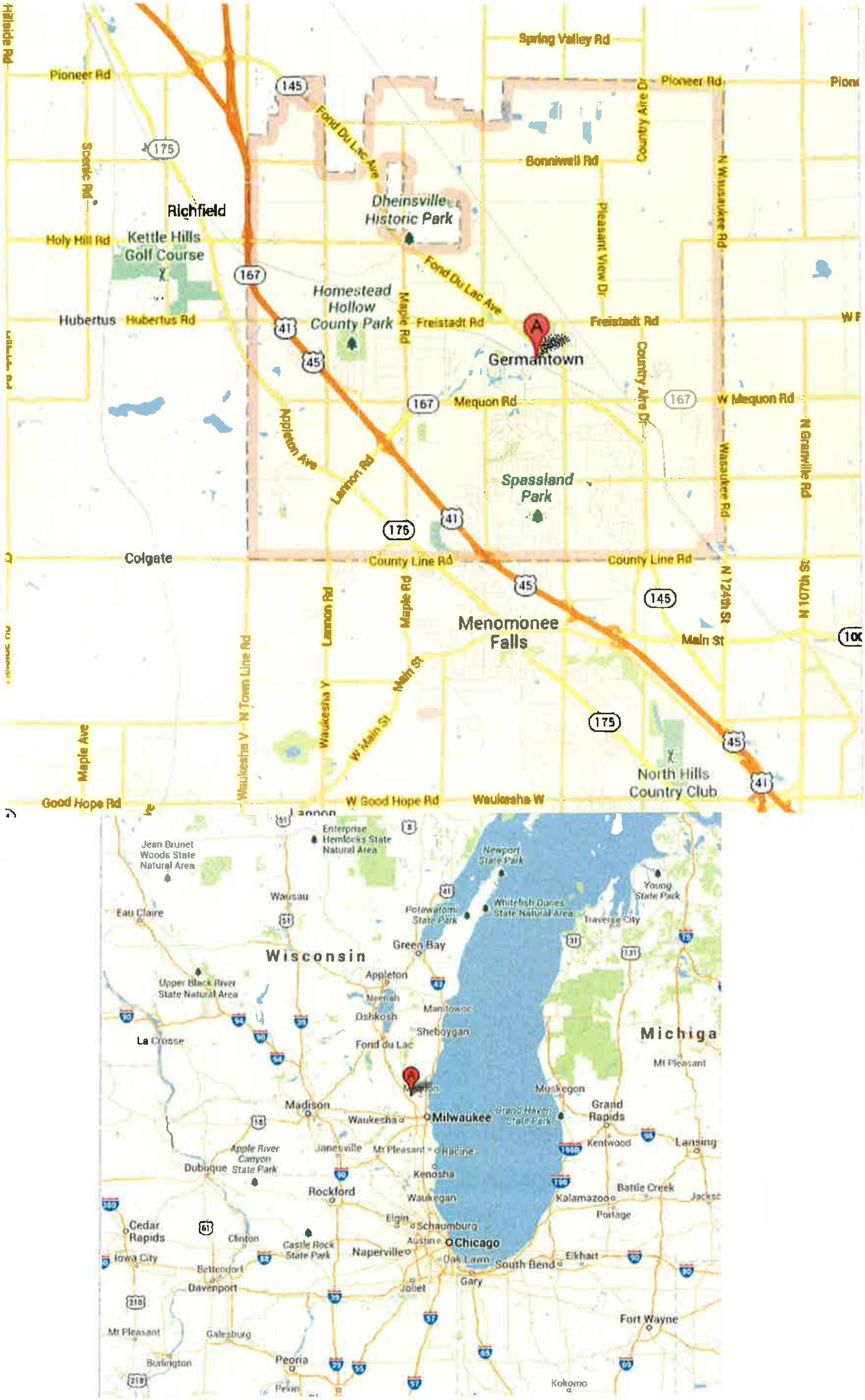
APPOINTED OFFICALS

Village Administrator	David R. Schornack
Village Attorney	Brian Sajdak; Wesolowski, Reidenbach & Sajdak SC
Village Assessor - Contract Service	Associated Appraisal Consultants, Inc
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	John Laning
Police Chief	Peter Hoell
Fire Chief	Gary Weiss
Library Director	Patricia Smith
Recreation Director	Mark Schroeder
Police & Fire Commission Chairperson	Scott Scheife
Park & Recreation Commission Chair	Scott Coulthurst
Library Board President	Joyce Nelson

VILLAGE OF GERMANTOWN
ORGANIZATIONAL CHART



The Village of Germantown - Location Map



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, 2015

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 20,008. 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.

BAKER TILLY

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, 2016, 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, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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.

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 Virchow Krause, LLP

Madison, Wisconsin
June 28, 2017

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2016
(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, 2016. 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.

USING THIS REPORT

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 citizens own and what the citizens 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: Incudes 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 SIGNFICANT 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, 2016. The largest portion of the Village's net position (88%) 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, (3%) 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 remained relatively the same as the prior year.

Village of Germantown
Condensed Statement of Net Position (in millions of dollars)

	Govermental Activities		Business-type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Assets:						
Capital Assets	$ 76.02	$ 76.60	$ 58.34	$ 62.51	$ 134.36	$ 139.11
Other Assets	34.04	28.98	11.78	10.62	45.82	39.60
Total Assets	110.06	105.58	70.12	73.13	180.18	178.71
Deferred outflows of resources:	1.57	5.02	0.15	0.54	1.72	5.56
Liabilities						
Long-term liabilities	28.65	27.37	1.39	1.41	30.03	28.78
other liabilities	1.53	2.57	0.70	1.04	2.23	3.61
Total Liabilities	30.18	29.94	2.08	2.45	32.26	32.39
Deferred inflows of resources:	13.27	15.45	-	0.21	13.27	15.66
Net Positon:						
Net investment in capital assets	59.46	60.80	57.04	61.30	116.25	120.31
Restricted	10.35	3.58	0.84	0.65	11.19	4.23
Unrestricted	(1.63)	0.83	10.31	9.06	8.93	11.68
Total net position	$ 68.19	$ 65.21	$ 68.18	$ 71.01	$ 136.37	$ 136.22

Changes in Net Position

During 2016 the net position of governmental activities decreased by $2.97 million to $65.21 million. Restricted assets include $3.2 million for two Tax Incremental Financing Districts or TIDs, (TID # 4 and TID #6) which is a decrease from the prior year of $4.9 million, and $0.35 million for Impact Fees and library operations. The unrestricted net position of governmental activities amounted to $0.8 million which is an increase over the negative balance of 2015. The 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 balance. These liabilities will be covered by future tax increment.

Net position of business activities totaled $71 million as of December 31, 2016, $2.8 million higher than 2015. Business-type net position totaling $0.65 million are restricted for capital projects, operations and maintenance, and depreciation. The Village may use the unrestricted net position totaling $9 million to finance continuing operations and capital projects of the utilities.

Total net position of Governmental and Business-type activities of $136 million remained relatively the same as 2015. Any significant changes in revenues and expenses are as follows.

Revenues

The Statement of Activities on page 2 will show that Program Revenues in the Governmental Activities was relatively unchanged from the prior year, totaling $4.5 million. The Business-type activities charges for service was down slightly due to a decrease in water consumption of a large water customer that relies on their own well for the majority of their water. The Business-type Activities increase of $1.9 million in Capital Grants and Contributions is due to water and sewer main additions in our TIF districts.

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 up by $0.83 million mostly due to an increase in levied taxes for general purposes, debt service and our two TID districts.

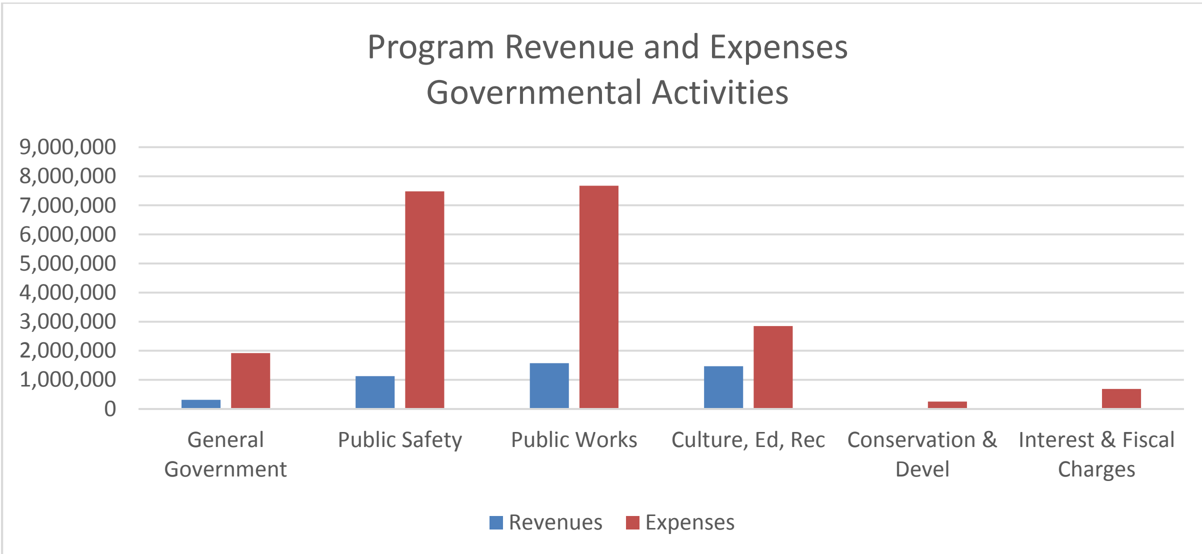
Expenses

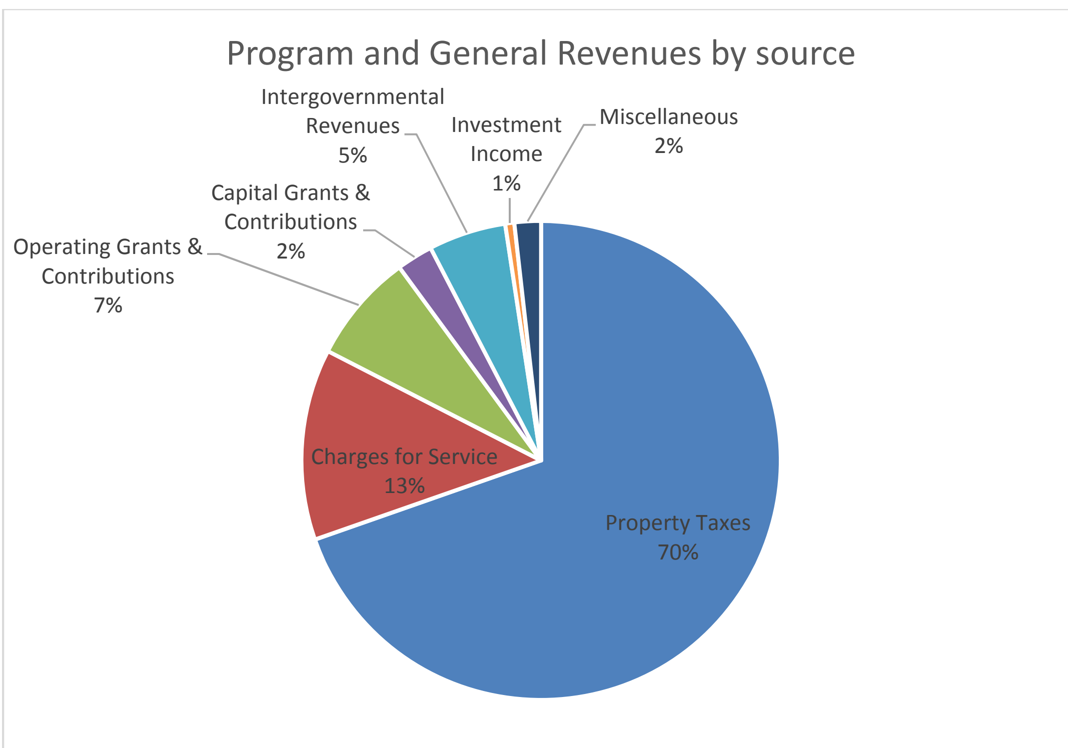
Total Expenses of $31.4 million is nearly $5 million more than that of 2015. Governmental Activities has significant construction and development in TID No. 6, additions in general road construction and reduction in debt service. Business-type Expenses was up slightly due to increases in Milwaukee Metropolitan Sewerage District's (MMSD) user and capital charges as well as continued sewer main relining.

Village of Germantown
Changes in Net Position (in millions of dollars)

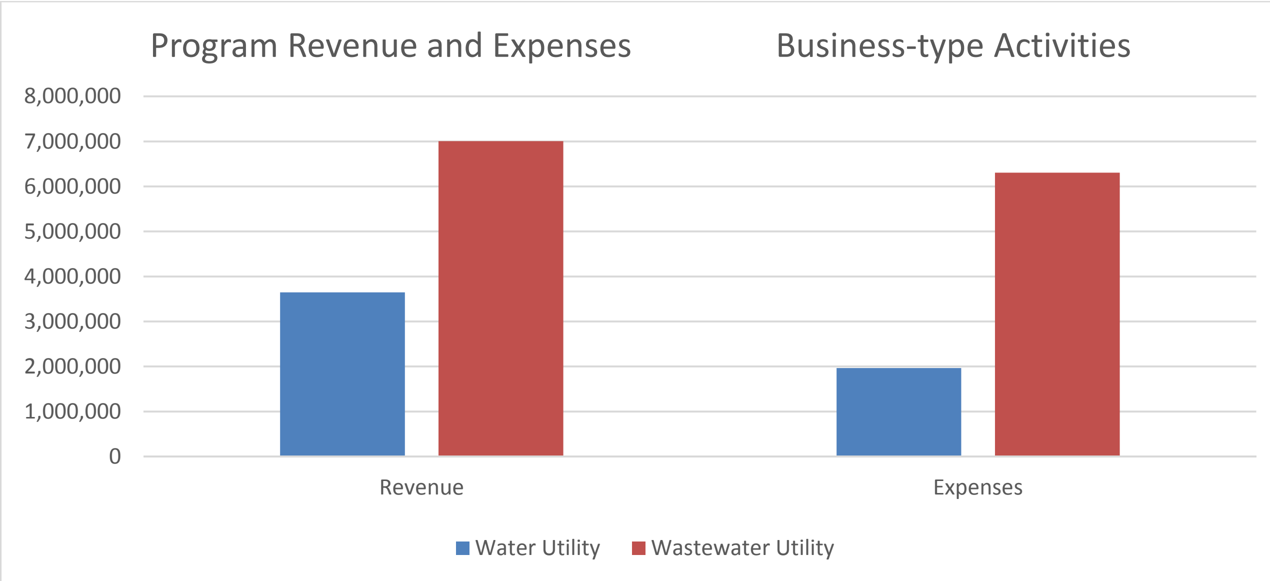
	Govermental Activities		Business-type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Revenues:						
Program Revenues						
Charges for services	$ 2.75	$ 2.55	$ 9.37	$ 9.27	$ 12.11	$ 11.82
Operating grants and contributions	1.52	1.46	-	-	1.52	1.46
Capital grants and contributions	0.23	0.48	0.35	2.29	0.58	2.77
General Revenues:						
Property Taxes	12.83	13.66	-	-	12.83	13.66
Intergvernmental revenues	0.99	1.03	-	-	0.99	1.03
Investment income	0.12	0.12	0.05	0.05	0.17	0.17
Other	0.57	0.35	-	-	0.57	0.35
Total revenues	19.00	19.65	9.76	11.61	28.76	31.26
Expenses:						
General government	1.77	1.92	-	-	1.77	1.92
Public safety	7.19	7.48	-	-	7.19	7.48
Public works	5.42	7.67	-	-	5.42	7.67
Culture and recreation	2.82	2.85	-	-	2.82	2.85
Conservation and development	0.37	2.53	-	-	0.37	2.53
Interest and fiscal charges	0.89	0.69	-	-	0.89	0.69
Water Utility	-	-	1.94	1.97	1.94	1.97
Sewer Utility	-	-	6.03	6.31	6.03	6.31
Total expenses	18.46	23.14	7.97	8.28	26.43	31.42
Increase (decrease) in net position	0.54	(3.49)	1.80	3.33	2.34	(0.16)
Transfers	0.53	0.51	(0.53)	(0.51)	-	-
Change in net position	1.07	(2.98)	1.27	2.82	2.34	(0.16)
Net position, beginning of year	67.12	68.19	66.92	68.18	134.03	136.37
Net Position, end of year	$ 68.19	$ 65.21	$ 68.18	$ 71.01	$ 136.37	$ 136.22

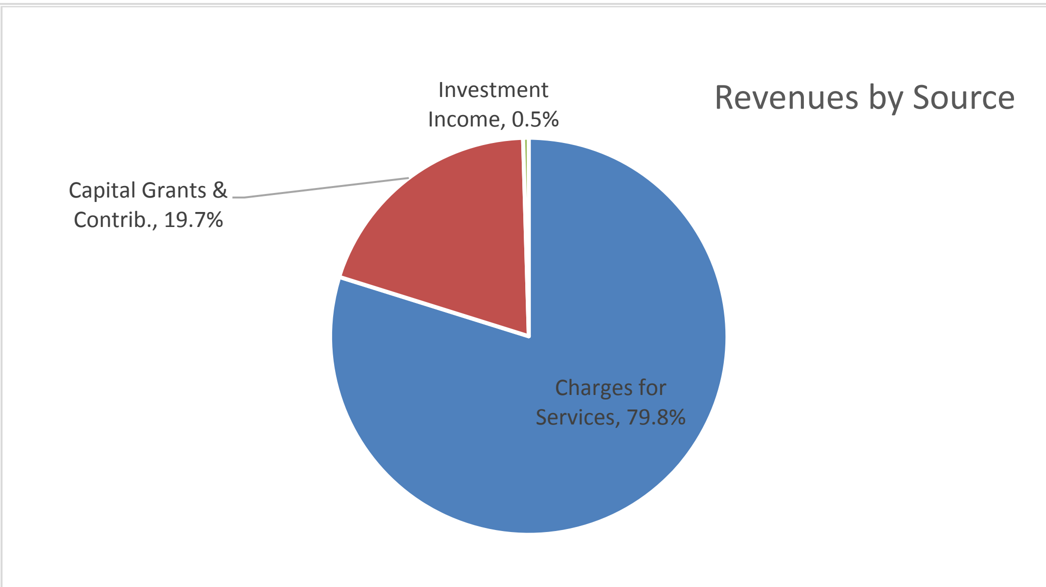
Governmental Funds





Business-Type Activities – Enterprise Funds





Water Utility

The Water Utility reported net operating income of $436,306, a slight reduction over last year, but still a positive end after our high water customer has transitioned away from Germantown's water as a major source now that their private well has been repaired. Expenses were relatively the same as 2015, but a large increase in capital contributions from installations of water main into our two TIF districts, No.'s 4 & 6, created a net position increase of $1.16 million. 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 2016 were $1.25 million. The ending net position of the Water Utility is $30.38 million.

The Village maintains six wells and three water towers within its corporate boundaries. An ongoing search and testing for a seventh 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. $3,752 was collected in 2016. 11,986 feet of water main were added in 2016 and 20 new fire hydrants.

Water Utility Activity Summary (in millions of dollars)			
	2016	2015	Change
Operating Revenues	$ 2.390	$ 2.567	$ (0.177)
Operating expenses	1.954	1.915	$ 0.039
Operating Income	0.436	0.652	(0.216)
Non-operating income(expenses)	(0.018)	(0.020)	0.002
Capital Contributions	1.254	0.128	1.126
Transfers out - tax equivalent	(0.513)	(0.528)	0.015
Increase in net position	1.159	0.232	1.143
Net Position beginning of the year, as restated (2015)	29.220	28.426	0.794
Net position, end of the year	$ 30.379	$ 29.220	$ 1.159

Wastewater Utility (Sewer)

The Wastewater Utility reported a net operating increase of $535,128 for 2016. Its overall net position increased by $1.6 million for an end of year net position of $40.42 million. Charges for services were close to the amount in 2015 at $6.87 million in 2016 compared to $6.79. Capital contribution additions were $1.03 million of which $70,486 was for Sewer Connection fees and $963,792 of capital contribution of sewer main and associated development in the village and in our TIF districts. The Village charges a fee to any new connections to our system, these fees help cover ongoing maintenance and other improvements to the system. 4,600 feet of sewer main were added to the system.

The Utility completed its second phase of relining its 48" interceptor mains which began in 2014. 6,732 feet of sewer main was relined in this phase with an additional $123,000 spent for Manhole Rehabilitation. Manhole rehab is included in the operation and maintenance section.

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 80.73 % of the operations and maintenance expense. In 2016 the Village paid $1.6 million for user charges and $3 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)			
	2016	2015	Change
Operating revenues	$ 6.872	$ 6.793	$ 0.079
Operating expenses	6.337	6.051	$ 0.286
Operating Income	0.535	0.742	(0.207)
Non-operating revenues/expenses	0.030	0.026	0.004
Capital Contributions	1.034	0.210	0.824
Increase in net position	1.5990	0.978	0.621
Net Position beginning of the year,	38.824	37.835	0.989
Net position , end of the year	$ 40.423	$ 38.824	$ 1.599

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, 2016, Village governmental funds reported a combined fund balance of $11.4 million, $4.9 million less than last year's total of $16.3 million. The decrease is mostly related to the reduction in Debt Service and expenditures of TID No. 6 debt proceeds on site development.

General Fund

The General Fund ended the year with a $0.389 million surplus, with an ending fund balance of $5.317 million. After adjusting for non-spendable and assigned portions for the general fund balance the unassigned fund balance at year end was $4.45 million, 28.87% 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 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 81.5% of total revenues. Total revenues remained steady and were up only slightly from 2015. While regulatory and compliance fees such as building permits were down, our recreation program revenue increased significantly, approximately $100,000 over budget.

General Fund expenditures for 2016 also remained fairly steady compared to 2015, just about $250,000 higher. One of the areas that increased was in culture and recreation which corresponds to the revenue increase in that area as well. Expenditure for public safety and public works were virtually the same as 2015. $96,000 was transferred to our General Capital Projects fund to cover some of the smaller purchases of capital equipment such as furniture for the police department, a vehicle for the police chief and an upgrade to video security of the police department complex. Revenues for the year over expenditures ended with a negative $28,545.

Debt Service Fund

Debt Service reduced its fund balance by $0.676 million showing a closing fund balance of $93,069. Annual debt service requirements were met primarily by property taxes levied of $2.5 million and other governmental transfers of $2.3 million. A $4,335,000 G.O. Promissory Note was issued in May to finance public safety equipment, storm water improvements, road improvements and park equipment plus refunding outstanding 2005A bonds. The refunding amount was $1,786,254 with the remainder $2,632,000 for project costs and borrowing costs including premiums and underwriters discounts. The refunding's net present value benefit was $202,621. The village's current Moody's Investor's service rating in Aa2.

General Capital Projects

The General Capital Projects Fund balance of $2.18 million includes proceeds of bonds and notes that are legally restricted or assigned for expenditures for specific purposes as well as accumulated Library County Revenues intended for capital improvements. The restricted amount is for unspent bond proceeds.

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 (2021) and pay the debt outstanding without any significant problems. Tax Abatements, which began in 2013, pushed several development projects toward full build out of the park. Increment payments made in 2016 totaled $175,898. 2016 is the final expenditure year for the district. $477,539 of water and sewer main along the boundary of the park was its final project. Fund balance at the end of 2016 was $2.8 million.

TID #6 Capital Projects Fund

TID #6, created in 2014 is a Tax Incremental District mixed-use business park suitable for industrial and commercial purposes. Due to major infrastructure development to the park in 2016 it is classified as a major fund. It is located along Appleton Avenue south of Lannon Road. 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. The Village issued $5,405,000 in General Obligation Community Development Bonds on October 1, 2014. A majority of those proceeds have been spent in 2016 leaving a current fund balance of $390,463. Tax revenue is expected to increase as new commercial and industrial development takes place in the next few years. An interfund loan from other village accounts may be needed to cover principal and interest payments in the interim.

Non-major Governmental Funds

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, Police Canine Fund, Historic Preservation Fund, Library Board Accounts and Recreation Department Facility Fees 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 viii – x.

The Health and Dental Protection Funds are Self-Funded employee insurance plans with a Third-Party Administrator. The funds maintained positive cash flow ending the year with a cash and cash equivalent year-end balance of $1.475 million to be used for future expenditures. The ending net position was $1.477 million, an increase of $493,539 from 2015. Employee contributions to the fund averaged 12% of premium cost. Changes in health care law may cause changes 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 81.

CAPITAL ASSETS AND DEBT

Capital Assets

As of December 31, 2016, the Village had $139 million (net of accumulated depreciation) 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 3 D.

Significant Additions to Capital Assets in 2016

- Roads $ 1,881,371
- Storm Sewers $ 210,772
- Water & Sewer System $ 5,444,684

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

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Construction in progress	$ 0.1	$ 0.0	0.1	0.1
Land	13.6	13.6	0.2	0.2
Buildings and improvements	8.5	8.9	3.3	3.4
Machinery and equipment	4.9	4.9	3.0	3.2
Infrastructure	49.5	48.6	56.0	51.4
Total Capital Assets	$ 76.6	$ 76.0	62.5	58.3

The Village's 2016 capital budgets anticipated a spending level of $7.6 million for capital projects. The Village borrowed approximately $2.7 million to fund these expenditures and designated $4.9 million from the water and sewer utilities and TID accounts. 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 35.

LONG-TERM DEBT

As of December 31, 2016, the outstanding debt for long term general obligations, revenue bonds and safe drinking water loans totaled $26.3 million. Principal paid on outstanding debt totaled $6.66 million, of which $4.86 million was paid toward principal reduction and $1.8 million was for refinancing.

Village of Germantown's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
General obligation debt	$ 25,130,000,	$ 27,355,000		
Revenue Bonds	-	-	$1,211,390	$1,302,768
Totals	$ 25,130,000	$ 27,355,000	$1,211,390	$1,302,768

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, 2016 was $125,093,990. Total General Obligation debt outstanding was $25,130,000 or 20% of the limit. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

Long-term Debt Issued 2016

Date	Type of Debt	Amount
05/11/16	General Obligation Promissory Note	$ 4,335,000
Uses	Public Safety Equipment & Building Repair	411,000
	Storm Water	71,125
	Roadway Design & Improvements	1,433,070
	Highway Trucks & Equipment	467,000
	Parks, Bld & Grounds, Recreation	250,000
	Refunding	1,786,254
	Premium	(145,016)
	Issuance Costs	61,567

Additional information about the Village's long-term obligations can be found in Note III-F, beginning on page 39 of this report.

Economic Factors and Next Year's Budgets and Rates

> On March 29, 2017, the Village issued a $2,805,000 General Obligation Promissory Notes – Series 2017A with proceeds to be used for future capital projects. The notes have a ten year term with interest rates from 2.00% - 2.55%.

> On May 1, 2017, the 2017 through 2026 maturities of the $520,000 General Obligation Street Improvement Bonds, Series 200A were called for redemption. A prior special assessment, dedicated to the debt's retirement was received early allowing for the funds to retire the issue.

> Moody's Investors Service has maintained its rating of the Village at Aa2.

> Staff additions for 2017 included a full time Police Officer, a full time Public Works Operator, and elevating 4 part time Fire Fighter/Emt to full time on a 24 hour shift basis.

> 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 if approved by referendum.

> The Germantown School District's $84 million bond referendum was approved with the November 2106 election which will add to and remodel each of its elementary schools, junior high school and high school. This includes the construction of a swimming pool, auditorium and field house at the high school. The estimated property tax is $1.04 per thousand of assessed value, projected on a 20 year bond.

REQUESTS FOR INFORMATION

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 provides its Comprehensive Annual Financial Report on our web page (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.

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION
As of December 31, 2016

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	$ 13,848,860	$ 7,806,791	$ 21,655,651
Receivables (net)			
Taxes	13,665,424	-	13,665,424
Accounts receivable	562,271	2,444,060	3,006,331
Special assessments receivable	23,426	12,250	35,676
Accrued interest	21,047	14,897	35,944
Internal balances	309,497	(309,497)	-
Prepaid items	16,035	-	16,035
Land held for resale	295,572	-	295,572
Restricted Assets			
Cash and investments	237,608	650,004	887,612
Accrued interest	502	573	1,075
Capital Assets			
Land	13,577,807	175,599	13,753,406
Construction in progress	88,987	109,084	198,071
Capital assets, net of depreciation	62,935,272	62,222,495	125,157,767
Total Assets	105,582,308	73,126,256	178,708,564
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	165,860	-	165,860
Deferred outflows - pensions	4,855,841	537,481	5,393,322
Total Deferred Outflows of Resources	5,021,701	537,481	5,559,182
LIABILITIES			
Accounts payable and accrued expenses	2,242,582	1,038,789	3,281,371
Accrued interest payable	326,534	4,813	331,347
Noncurrent Liabilities			
Due within one year	3,599,530	99,360	3,698,890
Due in more than one year	23,773,929	1,309,120	25,083,049
Total Liabilities	29,942,575	2,452,082	32,394,657
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues	13,617,768	-	13,617,768
Deferred inflows - pensions	1,832,349	205,266	2,037,615
Total Deferred Inflows of Resources	15,450,117	205,266	15,655,383
NET POSITION			
Net investment in capital assets	60,795,354	61,295,788	120,306,059
Restricted for			
Impact fees	238,110	164,206	402,316
Library	115,871	-	115,871
Debt service	-	117,927	117,927
Equipment replacement	-	363,631	363,631
TIF purposes	3,229,955	-	3,229,955
Unrestricted (deficit)	832,027	9,064,837	11,681,947
TOTAL NET POSITION	$ 65,211,317	$ 71,006,389	$136,217,706

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 1,918,870	$ 311,203	$ -	$ -
Public safety	7,481,578	965,276	146,886	17,117
Public works	7,675,764	149,461	1,001,307	421,670
Culture, education and recreation	2,848,306	1,112,829	309,283	44,271
Conservation and development	2,530,367	10,380	-	-
Interest and fiscal charges	686,590	-	-	-
Total Governmental Activities	23,141,475	2,549,149	1,457,476	483,058
Business-type Activities				
Water	1,966,798	2,394,611	-	1,253,887
Sewer	6,306,500	6,872,430	-	1,034,279
Total Business-type Activities	8,273,298	9,267,041	-	2,288,166
Totals	$ 31,414,773	$ 11,816,190	$ 1,457,476	$ 2,771,224

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 (Deficit) - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
$ (1,607,667)	$ -	$ (1,607,667)
(6,352,299)	-	(6,352,299)
(6,103,326)	-	(6,103,326)
(1,381,923)	-	(1,381,923)
(2,519,987)	-	(2,519,987)
(686,590)	-	(686,590)
(18,651,792)	-	(18,651,792)
-	1,681,700	1,681,700
-	1,600,209	1,600,209
-	3,281,909	3,281,909
(18,651,792)	3,281,909	(15,369,883)
9,286,733	-	9,286,733
2,486,502	-	2,486,502
1,497,637	-	1,497,637
387,633	-	387,633
1,033,149	-	1,033,149
120,496	53,570	174,066
352,951	-	352,951
15,165,101	53,570	15,218,671
513,500	(513,500)	-
(2,973,191)	2,821,979	(151,212)
68,184,508	68,184,410	136,368,918
$ 65,211,317	$ 71,006,389	$ 136,217,706

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
ASSETS				
Cash and investments	$ 5,119,835	$ 93,024	$ 2,788,742	$ 3,129,320
Receivables				
Taxes	9,427,231	2,458,128	-	1,738,028
Special assessments	23,426	-	-	-
Accounts	548,536	-	-	-
Delinquent taxes	41,180	-	-	-
Accrued interest	9,640	45	2,549	7,021
Due from other funds	513,602	-	-	-
Prepaid items	16,035	-	-	-
Restricted Assets				
Cash and investments	-	-	-	-
Accrued interest	-	-	-	-
TOTAL ASSETS	$ 15,699,485	$ 2,551,197	$ 2,791,291	$ 4,874,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 389,547	$ -	$ 614,128	$ 296,847
Accrued liabilities	494,355	-	-	-
Due to other governments	541	-	-	-
Total Liabilities	884,443	-	614,128	296,847
Deferred Inflows of Resources				
Deferred revenues	9,420,753	2,458,128	-	1,738,030
Unavailable revenues	76,891	-	-	-
Total Deferred Inflows of Resources	9,497,644	2,458,128	-	1,738,030
Fund Balances				
Nonspendable	16,035	-	-	-
Restricted	-	93,069	618,653	2,839,492
Committed	-	-	-	-
Assigned	846,382	-	1,558,510	-
Unassigned	4,454,981	-	-	-
Total Fund Balances	5,317,398	93,069	2,177,163	2,839,492
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 15,699,485	$ 2,551,197	$ 2,791,291	$ 4,874,369

See accompanying notes to financial statements.

TID No. 6 Capital Projects Fund	Nonmajor Governmental Funds	Totals
$ 917,065	$ 325,804	$ 12,373,790
857	-	13,624,244
-	-	23,426
4,280	-	552,816
-	-	41,180
-	433	19,688
-	-	513,602
-	-	16,035
-	237,608	237,608
-	502	502
$ 922,202	$ 564,347	$ 27,402,891
$ 530,882	$ 7,780	$ 1,839,184
-	-	494,355
-	-	541
530,882	7,780	2,334,080
857	-	13,617,768
-	-	76,891
857	-	13,694,659
-	-	16,035
390,463	353,981	4,295,658
-	202,586	202,586
-	-	2,404,892
-	-	4,454,981
390,463	556,567	11,374,152
$ 922,202	$ 564,347	$ 27,402,891

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, 2016

Total Fund Balances - Governmental Funds	$ 11,374,152
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
Construction in progress	88,987
Other capital assets, net of accumulated depreciation	62,935,272
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.	76,891
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(870,688)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,855,841
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,832,349)
Internal service funds are reported in the statement of net position as governmental activities.	1,476,962
Internal service fund internal receivable between governmental and business-type activities.	(204,105)
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	(25,130,000)
Capital leases	(65,933)
Compensated absences	(751,810)
Accrued interest	(226,114)
Unamortized debt discount/premium	(555,028)
Unamortized loss on refunding	165,860
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 65,211,317

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, 2016

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
REVENUES				
Taxes	$ 9,686,360	$ 2,486,502	$ -	$ 1,496,469
Special assessments	4,685	-	510,279	-
Intergovernmental	2,273,091	-	87,791	113,009
Regulation and compliance	838,034	-	-	-
Public charges for services	1,734,210	-	-	-
Investment income	43,087	390	31,207	20,332
Miscellaneous	90,781	-	38,539	-
Total Revenues	14,670,248	2,486,892	667,816	1,629,810
EXPENDITURES				
Current				
General government	1,508,556	-	-	-
Public safety	6,643,000	-	-	-
Public works	3,446,015	-	-	-
Culture and recreation	2,601,281	-	-	-
Conservation and development	221,463	-	-	175,898
Capital Outlay	278,478	-	2,594,469	301,641
Debt Service				
Principal	-	6,560,000	-	-
Interest and fiscal charges	-	670,932	-	-
Debt issuance costs	-	26,535	42,163	-
Total Expenditures	14,698,793	7,257,467	2,636,632	477,539
Excess (deficiency) of revenues over expenditures	(28,545)	(4,770,575)	(1,968,816)	1,152,271
OTHER FINANCING USES				
Issuance of general obligation notes	-	-	2,670,000	-
Issuance of refunding debt	-	1,665,000	-	-
Premium on long-term debt	-	145,016	-	-
Transfers in	513,500	2,284,174	96,000	-
Transfers out	(96,000)	-	(566,205)	(1,487,256)
Total Other Financing Uses	417,500	4,094,190	2,199,795	(1,487,256)
Net Change in Fund Balances	388,955	(676,385)	230,979	(334,985)
FUND BALANCES - Beginning of Year	4,928,443	769,454	1,946,184	3,174,477
FUND BALANCES - END OF YEAR	$ 5,317,398	$ 93,069	$ 2,177,163	$ 2,839,492

See accompanying notes to financial statements.

	TID No. 6 Capital Projects Fund	Nonmajor Governmental Funds	Totals
	$ 1,168	$ -	$ 13,670,499
	-	-	514,964
	-	-	2,473,891
	-	-	838,034
	-	87,312	1,821,522
	15,627	3,153	113,796
	9,009	18,717	157,046
	25,804	109,182	19,589,752
	-	-	1,508,556
	-	17,795	6,660,795
	-	-	3,446,015
	-	24,303	2,625,584
	79,335	-	476,696
	4,325,879	-	7,500,467
	-	-	6,560,000
	-	-	670,932
	-	-	68,698
	4,405,214	42,098	29,517,743
	(4,379,410)	67,084	(9,927,991)
	-	-	2,670,000
	-	-	1,665,000
	-	-	145,016
	-	-	2,893,674
	(184,713)	(46,000)	(2,380,174)
	(184,713)	(46,000)	4,993,516
	(4,564,123)	21,084	(4,934,475)
	4,954,586	535,483	16,308,627
	$ 390,463	$ 556,567	$ 11,374,152

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, 2016

Net change in fund balances - total governmental funds	$ (4,934,475)
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	7,500,467
Some items reported as capital outlay were not capitalized	(4,589,686)
Depreciation is reported in the government-wide financial statements	(2,711,628)
Net book value of assets retired	(88,270)
Contributed capital assets are reported as revenues in the government-wide financial statements.	470,375
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.	
Special assessments	(4,873)
Developer receivable	(600,000)
Delinquent taxes	(10,682)
Miscellaneous recreation receivables	2,025
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(4,335,000)
Principal repaid	6,560,000
Capital lease repaid	31,954
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.	
Premium on debt issued	(145,016)
Amortization of debt discount/premium	68,369
Amortization of loss on refunding	(39,915)
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	(35,607)
Accrued interest on debt	24,586
Net pension liability	(2,222,995)
Deferred outflows of resources related to pensions	3,489,355
Deferred inflows of resources related to pensions	(1,832,349)
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	430,174
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (2,973,191)

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Totals	Governmental Activities - Internal Service Funds
ASSETS				
Current Assets				
Cash and investments	$ 2,547,289	$ 4,879,522	$ 7,426,811	$ 1,475,070
Accounts receivable	513,144	1,930,916	2,444,060	9,455
Accrued interest	4,720	10,177	14,897	1,359
Due from other funds	59,739	-	59,739	-
Restricted Assets				
Redemption account	32,740	-	32,740	-
Total Current Assets	3,157,632	6,820,615	9,978,247	1,485,884
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	50,590	-	50,590	-
Replacement account	-	313,041	313,041	-
Impact fee account	163,633	-	163,633	-
Accrued interest	573	-	573	-
Capital Assets				
Plant in service	40,088,041	48,064,140	88,152,181	-
Land	140,450	35,149	175,599	-
Construction in progress	109,084	-	109,084	-
Less: Accumulated depreciation	(11,426,247)	(14,503,439)	(25,929,686)	-
Other Assets				
Vehicle replacement account	-	379,980	379,980	-
Special assessments receivable	12,250	-	12,250	-
Total Noncurrent Assets	29,228,374	34,288,871	63,517,245	-
Total Assets	32,386,006	41,109,486	73,495,492	1,485,884
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	279,759	257,722	537,481	-
Total Deferred Outflows of Resources	279,759	257,722	537,481	-

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Totals	Governmental Activities - Internal Service Funds
LIABILITIES				
Current Liabilities				
Accounts payable	$ 338,061	$ 679,345	$ 1,017,406	$ 8,922
Due to other funds	513,542	59,799	573,341	-
Accrued wages	11,740	9,643	21,383	-
Current portion of compensated absences	1,009	1,002	2,011	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	97,349	-	97,349	-
Accrued interest payable	4,813	-	4,813	-
Total Current Liabilities	966,514	749,789	1,716,303	8,922
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,114,041	-	1,114,041	-
Compensated absences	49,446	48,095	97,541	-
Net pension liability	50,551	46,987	97,538	-
Total Noncurrent Liabilities	1,214,038	95,082	1,309,120	-
Total Liabilities	2,180,552	844,871	3,025,423	8,922
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	106,382	98,884	205,266	-
Total Deferred Inflows of Resources	106,382	98,884	205,266	-
NET POSITION				
Net investment in capital assets	27,699,938	33,595,850	61,295,788	-
Restricted for				
Impact fees	164,206	-	164,206	-
Debt service	117,927	-	117,927	-
Equipment replacement	50,590	313,041	363,631	-
Unrestricted net position	2,346,170	6,514,562	8,860,732	1,476,962
TOTAL NET POSITION	$ 30,378,831	$ 40,423,453	70,802,284	$ 1,476,962
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			204,105	
NET POSITION BUSINESS-TYPE ACTIVITIES			$ 71,006,389	

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, 2016

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Totals	Governmental Activities - Internal Service Funds
OPERATING REVENUES				
Charges for services	$ -	$ 6,830,451	$ 6,830,451	$ -
Sale of water	2,315,472	-	2,315,472	-
Other	75,353	41,979	117,332	1,943,067
Total Operating Revenues	2,390,825	6,872,430	9,263,255	1,943,067
OPERATING EXPENSES				
Operation and maintenance	1,162,583	5,708,681	6,871,264	1,454,917
Depreciation	791,936	628,621	1,420,557	-
Total Operating Expenses	1,954,519	6,337,302	8,291,821	1,454,917
Operating Income	436,306	535,128	971,434	488,150
NONOPERATING REVENUES (EXPENSES)				
Investment income	23,441	30,129	53,570	5,389
Miscellaneous revenues	3,786	-	3,786	-
Interest expense	(44,842)	-	(44,842)	-
Total Nonoperating Revenues (Expenses)	(17,615)	30,129	12,514	5,389
Income Before Contributions and Transfers	418,691	565,257	983,948	493,539
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	1,253,887	1,034,279	2,288,166	-
Transfers out - tax equivalent	(513,500)	-	(513,500)	-
Total Contributions and Transfers	740,387	1,034,279	1,774,666	-
Change in Net Position	1,159,078	1,599,536	2,758,614	493,539
NET POSITION (DEFICIT) - Beginning of Year	29,219,753	38,823,917	68,043,670	983,423
NET POSITION- END OF YEAR	$ 30,378,831	$ 40,423,453	70,802,284	$ 1,476,962
Change in Net Position of Proprietary Funds			2,758,614	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			63,365	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			$ 2,821,979	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	$ 2,119,186	$ 6,895,293	$ 9,014,479	$ -
Received from other funds for services	537,429	-	537,429	1,943,067
Paid to suppliers for goods and services	(672,679)	(5,231,326)	(5,904,005)	(1,493,665)
Paid to employees for services	(443,004)	(408,482)	(851,486)	-
Net Cash Flows From Operating Activities	1,540,932	1,255,485	2,796,417	449,402
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold and matured	1,468,786	1,525,903	2,994,689	-
Investment income	23,182	27,138	50,320	4,793
Investments purchased	(1,078,595)	(1,431,592)	(2,510,187)	-
Net Cash Flows From Investing Activities	413,373	121,449	534,822	4,793
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(528,153)	-	(528,153)	-
Net Cash Flows From Noncapital Financing Activities	(528,153)	-	(528,153)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,203,088)	(1,896,696)	(3,099,784)	-
Capital contributions received	9,122	70,487	79,609	-
Special assessments received	13,825	-	13,825	-
Debt retired	(91,378)	-	(91,378)	-
Interest paid	(45,187)	-	(45,187)	-
Net Cash Flows From Capital and Related Financing Activities	(1,316,706)	(1,826,209)	(3,142,915)	-
Net Change in Cash and Cash Equivalents	109,446	(449,275)	(339,829)	454,195
CASH AND CASH EQUIVALENTS - Beginning of Year	939,438	3,272,740	4,212,178	1,020,875
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,048,884	$ 2,823,465	$ 3,872,349	$ 1,475,070

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	$ 436,306	$ 535,128	$ 971,434	$ 488,150
Nonoperating revenue	3,786	-	3,786	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	791,936	628,621	1,420,557	-
Depreciation charged to other funds	41,362	-	41,362	-
Changes in assets and liabilities				
Accounts receivable	208,955	(825)	208,130	(9,455)
Due from other funds	23,367	23,688	47,055	-
Accounts payable	8,740	24,567	33,307	(29,293)
Due to other funds	10	3,651	3,661	-
Other current liabilities	1,907	2,966	4,873	-
Accrued sick leave	5,237	11,042	16,279	-
Customer deposits	(11,680)	-	(11,680)	-
Pension related deferrals and liabilities	31,006	26,647	57,653	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 1,540,932	$ 1,255,485	$ 2,796,417	$ 449,402
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	$ 2,547,289	$ 4,879,522	$ 7,426,811	$ 1,475,070
Restricted cash and investments	336,963	313,041	650,004	
Vehicle replacement account	-	379,980	379,980	-
Total Cash and Investments	2,884,252	5,572,543	8,456,795	1,475,070
Less: Noncash equivalents	(1,835,368)	(2,749,078)	(4,584,446)	-
CASH AND CASH EQUIVALENTS	$ 1,048,884	$ 2,823,465	$ 3,872,349	$ 1,475,070
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	$ 73,359	$ 75,972		
Plant contributed from the TIF	$ 1,171,406	$ 887,820		

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2016

	Agency Fund Tax Collection Fund
ASSETS	
Cash and investments	$ 22,630,146
Taxes receivable	8,147,208
TOTAL ASSETS	$ 30,777,354
LIABILITIES	
Accounts payable	$ 102,349
Due to other governments	30,675,005
TOTAL LIABILITIES	$ 30,777,354

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

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As of and for the Year Ended December 31, 2016

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

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.

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.

Tax Incremental District (TID) No. 6 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.

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

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

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.

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.

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.)

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 methods and inputs as outlined in Note III. A. 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, 2016, 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.

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 - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale - 2016 delinquent real estate taxes	October 2019

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.

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.

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 $27,655.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2016, are determined on the basis of current salary rates and include salary related payments.

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

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (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 $40,514,333, made up of 10 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.

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	$ 60,795,354	$ 61,295,788	$ (1,785,083)	$120,306,059
Unrestricted	832,027	9,064,837	1,785,083	11,681,947

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.

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 (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 $4,454,981, or 29%, and is included in unassigned general fund balance.

See Note III. H. for further information.

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. Pension

For purposes of measuring the net pension asset (liability), 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.

13. 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

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Debt Service Fund	$ 4,791,387	$ 7,257,467	$ 2,466,080
Police Asset Forfeiture Fund	4,000	15,155	11,155
Facility Fees Fund	23,000	24,184	1,184

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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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.

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	$ 21,578,575	$ 21,667,662	Custodial Credit
US agencies - implicitly guaranteed	2,346,528	2,346,528	Credit, Custodial Credit, Concentration of Credit, Interest Rate
US agencies - explicitly guaranteed	2,232,272	2,232,272	Custodial Credit, Interest Rate
Municipal bonds	67,055	67,055	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	18,946,787	18,983,808	Credit
Petty cash	2,192	-	N/A
Total Deposits and Investments	$ 45,173,409	$ 45,297,325	

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 21,655,651
Restricted cash and investments	887,612
Per statement of assets and liabilities - agency fund	
Agency Fund	22,630,146
Total Deposits and Investments	$ 45,173,409

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

*A. **Deposits and Investments*** (cont.)

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).

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, 2016, the banks had pledged various government securities in the amount of $20,000,000 to secure the village's deposits.

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

The valuation methods for recurring fair value measurements are as follows:

> Quoted market prices for similar investments

	December 31, 2016			
Investment Type	Level 1	Level 2	Level 3	Total
US agencies - implicitly guaranteed	$ -	$ 2,346,528	$ -	$ 2,346,528
US agencies - explicitly guaranteed	-	2,232,272	-	2,232,272
Municipal bonds	-	67,055	-	67,055
Total	$ -	$ 4,645,855	$ -	$ 4,645,855

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.

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

A. *Deposits and Investments* (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2016, $606,820 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 606,820
Total	$ 606,820

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

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, 2016, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCBS	US agencies - implicitly guaranteed	6.44%

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

A. *DEPOSITS AND INVESTMENTS* (cont.)

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, 2016, the village's investments were as follows:

		Maturity (In Years)		
Investment Type	Fair Value	Less than 1 year	1-4 years	More than 4 years
US agencies - explicitly guaranteed	$ 2,232,272	$ -	$ 1,845,104	$ 387,168
US agencies - implicitly guaranteed	2,346,528	-	1,397,038	949,490
Municipal Bonds	67,055	-	31,355	35,700
Totals	$ 4,645,855	$ -	$ 3,273,497	$ 1,372,358

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 and delinquent taxes.

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 payable to the village 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 *deferred revenue* reported in the governmental funds were as follows:

	Deferred	Unavailable
Property taxes receivable for subsequent year	$ 13,617,768	$ -
Delinquent property taxes receivable	-	41,179
Special assessments not yet due	-	29,236
Parks and recreation	-	6,476
Total Unearned/Unavailable Revenue for Governmental Funds	$ 13,617,768	$ 76,891

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

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.

Following is a list of restricted assets at December 31, 2016:

	Restricted Assets
Cash and investments	$ 237,608
Accrued interest	502
Sewer equipment replacement account	313,041
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	50,590
Water impact fees	163,633
Accrued interest	573
Total	$ 888,687

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

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 13,577,807	$ -	$ -	$ 13,577,807
Construction in progress	2,347	88,987	2,347	88,987
Total Capital Assets Not Being Depreciated	13,580,154	88,987	2,347	13,666,794
Capital assets being depreciated				
Buildings and improvements	16,018,951	107,399	35,072	16,091,278
Machinery and equipment	11,828,233	646,972	792,518	11,682,687
Roads	49,172,633	2,253,197	371,826	51,054,004
Storm sewers	20,945,018	210,772	-	21,155,790
Street lighting	3,068,208	45,709	-	3,113,917
Bridges	7,153,132	28,120	4,093	7,177,159
Total Capital Assets Being Depreciated	108,186,175	3,292,169	1,203,509	110,274,835
Total Capital Assets	121,766,329	3,381,156	1,205,856	123,941,629
Less: Accumulated depreciation for				
Buildings and improvements	(7,155,381)	(450,581)	35,072	(7,570,890)
Machinery and equipment	(6,888,619)	(590,816)	759,071	(6,720,364)
Roads	(16,251,154)	(1,000,371)	320,122	(16,931,403)
Storm sewers	(10,625,443)	(421,008)	-	(11,046,451)
Street lighting	(2,055,842)	(107,576)	-	(2,163,418)
Bridges	(2,769,082)	(141,276)	3,321	(2,907,037)
Total Accumulated Depreciation	(45,745,521)	(2,711,628)	1,117,586	(47,339,563)
Net Capital Assets Being Depreciated	62,440,654	580,541	85,923	62,935,272
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 76,020,808	$ 669,528	$ 88,270	$ 76,602,066

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

D. Capital Assets (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 96,763
Public safety	518,584
Public works, which includes the depreciation of infrastructure	1,882,743
Leisure activities	213,538
Total Governmental Activities Depreciation Expense	$ 2,711,628

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	$ 175,599	$ -	$ -	$ 175,599
Construction in progress	108,286	24,782	23,984	109,084
Total Capital Assets Not Being Depreciated	283,885	24,782	23,984	284,683
Capital assets being depreciated				
Buildings and improvements	4,296,754	-	-	4,296,754
Machinery and equipment	6,207,453	92,354	86,909	6,212,898
Sewer system	39,697,853	2,940,982	19,486	42,619,349
Water system	32,499,992	2,594,442	71,254	35,023,180
Total Capital Assets Being Depreciated	82,702,052	5,627,778	177,649	88,152,181
Total Capital Assets	82,985,937	5,652,560	201,633	88,436,864
Less: Accumulated depreciation for				
Buildings and improvements	(914,732)	(125,121)	-	(1,039,853)
Machinery and equipment	(3,007,583)	(302,172)	86,909	(3,222,846)
Sewer system	(12,313,338)	(432,470)	19,486	(12,726,322)
Water system	(8,409,763)	(602,156)	71,254	(8,940,665)
Total Accumulated Depreciation	(24,645,416)	(1,461,919)	177,649	(25,929,686)
Net Capital Assets Being Depreciated	58,056,636	4,165,859	-	62,222,495
Business-type Capital Assets, Net of Accumulated Depreciation	$ 58,340,521	$ 4,190,641	$ 23,984	$ 62,507,178

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities		
Water	$	791,936
Sewer		628,621
Total Business-type Activities Depreciation Expense	$	1,420,557

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.

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	$	513,542
General fund	Sewer utility		60
Water utility	Sewer utility		59,739
Total - Fund Financial Statements			573,341
Less: Fund eliminations			(59,739)
Less: Interfund receivables created with internal service fund eliminations			(204,105)
Total Internal Balances - Government-Wide Statement of Net Position		$	309,497

Receivable Fund	Payable Fund		Amount
Governmental Activities	Business-type Activities	$	513,602
Business-type Activities	Governmental Activities		(204,105)
Total Government-Wide Financial Statements		$	309,497

All amounts are due within one year.

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

E. Interfund Receivables/Payables and Transfers (cont.)

Interfund Receivables/Payables (cont.)

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 2016 payment in lieu of tax.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Debt service fund	Nonmajor governmental funds	$ 46,000	Debt service
Debt service fund	General capital projects	566,205	Debt Service
Debt service fund	TID No. 4 capital projects fund	1,487,256	Debt service
Debt service fund	TID No. 6 capital projects fund	184,713	Debt service
General capital projects	General fund	96,000	Reimbursement of expenditures paid
General fund	Water utility	513,500	Payment in lieu of taxes
Total - Fund Financial Statements		2,893,674	
Less: Fund eliminations		(2,380,174)	
Total Transfers - Government-Wide Statement of Activities		$ 513,500	

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.

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	$ 27,355,000	$ 4,335,000	$ 6,560,000	$ 25,130,000	$ 3,545,000
(Discounts)/Premiums	478,381	145,016	68,369	555,028	-
Sub-totals	27,833,381	4,480,016	6,628,369	25,685,028	3,545,000
Other Liabilities					
Vested compensated absences	716,203	889,845	854,238	751,810	20,516
Capital leases	97,887	-	31,954	65,933	34,014
Net pension liability (asset)	(1,352,307)	2,222,995	-	870,688	-
Total Other Liabilities	(538,217)	3,112,840	886,192	1,688,431	54,530
Total Governmental Activities Long-Term Liabilities	$ 27,295,164	$ 7,592,856	$ 7,514,561	$ 27,373,459	$ 3,599,530
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	$ 1,302,768	$ -	$ 91,378	$ 1,211,390	$ 97,349
Sub-totals	1,302,768	-	91,378	1,211,390	97,349
Other Liabilities					
Vested compensated absences	83,273	77,270	60,991	99,552	2,011
Net pension liability (asset)	(144,036)	241,574	-	97,538	-
Total Other Liabilities	(60,763)	318,844	60,991	197,090	2,011
Total Business-type Activities Long-Term Liabilities	$ 1,242,005	$ 318,844	$ 152,369	$ 1,408,480	$ 99,360

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2016, was $125,093,990. Total general obligation debt outstanding at year end was $25,130,000.

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

F. LONG-TERM OBLIGATIONS (cont.)

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.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
GO Street Improvement Bond	5/1/2007	2026	4.00 - 4.375%	$ 520,000	$ 335,000
GO Promissory Note	5/15/2008	2018	3.70%	1,480,000	345,000
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	620,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	2,230,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,230,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.35%	805,000	360,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	1,660,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.25 - 1.75%	3,085,000	1,930,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	1,335,000
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	2,240,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	1,065,000	725,000
GO Promissory Note	3/24/2015	2025	2.00%	2,655,000	2,380,000
GO Promissory Note	5/11/2016	2026	2.00%	2,670,000	2,670,000
GO Promissory Note	5/11/2016	2021	2.00%	1,150,000	1,150,000
GO Promissory Note	5/11/2016	2018	2.00%	515,000	515,000
Total Governmental Activities - General Obligation Debt					$ 25,130,000

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:

	Governmental Activities General Obligation Debt	
Years	Principal	Interest
2017	$ 3,545,000	$ 600,622
2018	3,655,000	500,762
2019	2,895,000	425,925
2020	2,975,000	360,786
2021	2,840,000	294,331
2022-2026	5,765,000	911,110
2027-2031	2,120,000	404,081
2031-2034	1,335,000	70,615
Totals	$ 25,130,000	$ 3,568,232

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. 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 4.90% of gross revenues. The total principal and interest remaining to be paid on the bonds is $1,461,574. Principal and interest paid for the current year and total customer gross revenues were $136,565 and $2,421,804, respectively.

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

F. Long-Term Obligations (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2016, consists of the following:

Business-type Activities Revenue Debt

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	$ 1,130,000	$ 640,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	571,390
Total Business-type Activities - Revenue Debt					$ 1,211,390

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt Principal	Business-type Activities Revenue Debt Interest
2017	$ 97,349	$ 42,004
2018	98,345	38,534
2019	104,368	35,008
2020	110,418	31,213
2021	111,497	27,145
2022-2026	539,693	70,218
2027-2029	149,720	6,062
Totals	$ 1,211,390	$ 250,184

Other Debt Information

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

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

F. Long-Term Obligations (cont.)

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, 2016:

Type	Coverage	Expiration
General Liability	$ 4,000,000	1/1/2017
Automobile	10,000,000	1/1/2017
Workers Compensation	500,000	1/1/2017
Property	100,000,000	1/1/2017

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 2016 as follows:

Operating revenues	$ 2,390,825
Investment income	23,441
Miscellaneous nonoperating income	3,786
Impact fees	3,752
Less: Operation and maintenance expenses	(1,162,583)
Net Defined Earnings	$ 1,259,221
Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	$ 84,457
Annual debt service - 2009 revenue bonds	52,108
Subtotal	136,565
Coverage factor	1.25
Minimum Required Earnings	$ 170,706
Actual Debt Coverage	9.22

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

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 as of December 31, 2016, are as follows:

	Governmental Activities		
Years	Principal	Interest	Totals
2017	$ 34,014	$ 1,425	$ 35,439
2018	31,919	384	32,303
Totals	$ 65,933	$ 1,809	$ 67,742

H. NET POSITION/FUND BALANCES

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

Governmental Activities

Net Investment in Capital Assets	
Land	$ 13,577,807
Construction in progress	88,987
Other capital assets, net of accumulated depreciation	62,935,272
Less: Capital related long-term debt outstanding	(15,806,712)
Total Net Investment in Capital Assets	60,795,354
Restricted	
Impact fees	238,110
Library	115,871
TIF purposes	3,229,955
Total Restricted	3,583,936
Unrestricted	832,027
Total Governmental Activities Net Position	$ 65,211,317

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2016, include the following:

Nonspendable		
Major Fund		
General Fund		
Prepaid items	$	16,035
Restricted		
Major Funds		
Debt Service Fund		
Debt service	$	93,069
Capital Projects Funds		
General capital projects - unspent debt proceeds		618,653
TID No. 4		
TIF purposes		2,839,492
TID No. 6		
TIF purposes		390,463
Total	$	3,941,677
Nonmajor Funds		
Special Revenue Funds		
Police improvements	$	64,040
Fire improvements		16,628
Library improvements		8,443
Park and recreation improvements		148,999
Library activities		115,871
Total	$	353,981

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Committed	
Nonmajor Funds	
Special Revenue Funds	
Senior van replacement	$ 26,238
Police operations	16,977
Police canine activities	68,079
Historic preservation activities	797
Facility improvements	90,495
Total	$ 202,586
Assigned	
Major Funds	
General Fund	
Payment in lieu of tax	$ 513,500
Budget carryovers	332,882
General Capital Projects Fund	
Capital projects	1,558,510
Total	$ 2,404,892
Unassigned	
Major Funds	
General fund	$ 4,454,981

Business-type Activities

Net Investment in Capital Assets	
Land	$ 175,599
Construction in progress	109,084
Other capital assets, net of accumulated depreciation	62,222,495
Less: Long-term debt outstanding	(1,211,390)
Total Net Investment in Capital Assets	61,295,788
Restricted	
Impact fees	164,206
Debt service	117,927
Equipment replacement	363,631
Total Restricted	645,764
Unrestricted	9,064,837
Total Business-type Activities Net Position	$ 71,006,389

NOTE IV - OTHER INFORMATION

A. Employees' Retirement System

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.

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

NOTE IV - OTHER INFORMATION (cont.)

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
2006	0.8%	3%
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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.

During the reporting period, the WRS recognized $551,554 in contributions from the village.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

Pension Liability (asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the village reported a liability (asset) of $968,226 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability (asset) was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the village's proportion was 0.05959839%, which was a decrease of 0.00132082% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the village recognized pension expense of $1,153,355.

NOTE IV - OTHER INFORMATION (cont.)

A. *Employees' Retirement System* (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 163,796	$ 2,037,615
Changes of actuarial assumptions	677,413	-
Net differences between projected and actual earnings on pension plan investments	3,964,194	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,477	-
Employer contributions subsequent to the measurement date	550,442	-
Totals	$ 5,393,322	$ 2,037,615

$550,442 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, 2017. 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
2017	$ 1,257,521	$ 493,107
2018	1,257,521	493,107
2019	1,257,521	493,107
2020	1,047,916	493,107
2021	22,401	65,187

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

NOTE IV - OTHER INFORMATION (cont.)

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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
Variable Fund Asset Class				
U.S Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	$6,791,156	$968,226	$(3,579,586)

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

At December 31, 2016, the village reported a payable to the pension plan of $86,516 which represents contractually required contributions outstanding as of the end of the year.

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.

Self Insurance

For health claims, the uninsured risk of loss is $45,000 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.

NOTE IV - OTHER INFORMATION (cont.)

B. Risk Management (cont.)

Self Insurance (cont.)

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 $1,476,962 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

	Prior Year	Current Year
Unpaid claims - Beginning of Year	$ 257,831	$ 38,215
Current year claims and changes in estimates	966,294	962,434
Claim payments	(1,185,910)	(991,727)
Unpaid Claims - End of Year	$ 38,215	$ 8,922

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, 2016. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. Subsequent Event

On March 29, 2017, the village issued $2,805,000 General Obligation Promissory Notes Series 2017A with proceeds to be used for future capital projects. The notes have a ten year term with interest rates from 2.00% - 2.55%.

NOTE IV - OTHER INFORMATION (cont.)

E. Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The village through its Tax Incremental Financing District (TID) No. 4 has entered into tax abatement agreements with multiple developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. The incentives are calculated based on an agreed percentage of increment collected and the developer commitments include making timely payments of property taxes. Aggregate incentive payments for the year ended December 31, 2016 were $175,898.

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

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

- 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. 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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes				
General property taxes	$ 9,287,333	$ 9,287,333	$ 9,286,733	$ (600)
Other taxes	360,000	361,312	399,627	38,315
Special assessments	-	4,685	4,685	-
Intergovernmental	2,270,025	2,265,340	2,273,091	7,751
Regulation and compliance	1,038,930	1,039,330	838,034	(201,296)
Public charges for services	1,583,736	1,583,276	1,734,210	150,934
Investment income	32,412	31,100	43,087	11,987
Miscellaneous	32,100	32,160	90,781	58,621
Total Revenues	14,604,536	14,604,536	14,670,248	65,712
EXPENDITURES				
General Government				
Village board	143,998	123,998	147,629	(23,631)
General administrator	108,175	109,867	105,466	4,401
Village clerk	337,799	320,786	350,072	(29,286)
Treasurer/accounting	188,631	191,655	190,235	1,420
Assessor	105,334	105,334	61,834	43,500
Data processing	82,050	75,127	61,318	13,809
General government	168,383	100,100	72,695	27,405
Buildings and ground maintenance	591,147	596,477	519,307	77,170
Total General Government	1,725,517	1,623,344	1,508,556	114,788
Public Safety				
Police protection	4,822,462	4,754,435	4,687,793	66,642
Fire protection	1,900,527	1,910,953	1,733,704	177,249
Emergency government	17,075	17,075	16,123	952
Protective inspections	248,483	250,735	205,380	45,355
Total Public Safety	6,988,547	6,933,198	6,643,000	290,198
Public Works				
Engineer/director	225,338	214,751	187,714	27,037
Highway and street maintenance and construction	2,972,860	2,955,884	2,870,059	85,825
Solid waste recycling	392,820	392,931	388,242	4,689
Total Public Works	3,591,018	3,563,566	3,446,015	117,551

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
EXPENDITURES (cont.)				
Culture and Recreation				
Library	$ 808,880	$ 852,001	$ 797,195	$ 54,806
Recreation	1,190,551	1,195,869	1,215,457	(19,588)
Senior center	117,890	118,601	98,297	20,304
Parks	474,949	457,023	490,332	(33,309)
Total Culture and Recreation	2,592,270	2,623,494	2,601,281	22,213
Conservation and Development				
Planning and zoning	173,743	208,756	160,012	48,744
Municipal development	62,841	114,213	61,451	52,762
Total Conservation and Development	236,584	322,969	221,463	101,506
Capital Outlay	-	333,211	278,478	54,733
Total Expenditures	15,133,936	15,399,782	14,698,793	700,989
Excess (deficiency) of revenues over expenditures	(529,400)	(795,246)	(28,545)	766,701
OTHER FINANCING SOURCES (USES)				
Transfers in	530,000	530,000	513,500	(16,500)
Transfers out	(600)	(96,600)	(96,000)	600
Total Other Financing Sources (Uses)	529,400	433,400	417,500	(15,900)
Net Change in Fund Balance	-	(361,846)	388,955	750,801
FUND BALANCE - Beginning of Year	4,928,443	4,928,443	4,928,443	-
FUND BALANCE - END OF YEAR	$ 4,928,443	$ 4,566,597	$ 5,317,398	$ 750,801

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, 2016

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/16	0.05959839%	$ 968,226	$ 6,919,994	13.99%	98.20%
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, 2016

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	$ 550,442	$ (550,442)	$ -	$ 6,992,283	7.87%
12/31/15	554,307	(554,307)	-	6,919,432	8.01%

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

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 $332,882. 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 and occurred within the fiscal year.

The village is required to present the last ten 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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 2,486,502	$ 2,486,502	$ 2,486,502	$ -
Investment income	10,000	10,000	390	(9,610)
Total Revenues	2,496,502	2,496,502	2,486,892	(9,610)
EXPENDITURES				
Debt Service				
Principal	4,095,000	4,095,000	6,560,000	(2,465,000)
Interest and fiscal charges	696,387	696,387	670,932	25,455
Debt issuance costs	-	-	26,535	(26,535)
Total Expenditures	4,791,387	4,791,387	7,257,467	(2,466,080)
Excess (deficiency) of revenues over expenditures	(2,294,885)	(2,294,885)	(4,770,575)	(2,475,690)
OTHER FINANCING SOURCES				
Issuance of refunding debt	-	-	1,665,000	1,665,000
Transfers in	2,025,506	2,025,506	2,284,174	258,668
Premium on long-term debt	-	-	145,016	145,016
Total Other Financing Sources	2,025,506	2,025,506	4,094,190	2,068,684
Net Change in Fund Balance	(269,379)	(269,379)	(676,385)	(407,006)
FUND BALANCE - Beginning of Year	769,454	769,454	769,454	-
FUND BALANCE - END OF YEAR	$ 500,075	$ 500,075	$ 93,069	$ (407,006)

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.

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS
For the Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Special assessments	$ 250,140	$ 250,140	$ 510,279	$ 260,139
Intergovernmental	46,578	46,578	87,791	41,213
Investment income	27,421	27,421	31,207	3,786
Miscellaneous	-	-	38,539	38,539
Total Revenues	324,139	324,139	667,816	343,677
EXPENDITURES				
Capital outlay	3,005,400	3,485,053	2,594,469	890,584
Debt Service				
Debt issuance costs	50,000	50,000	42,163	7,837
Total Expenditures	3,055,400	3,535,053	2,636,632	898,421
Excess (deficiency) of revenues over expenditures	(2,731,261)	(3,210,914)	(1,968,816)	1,242,098
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation notes	3,060,000	3,060,000	2,670,000	(390,000)
Transfers in	-	96,000	96,000	-
Transfers out	(319,837)	(319,837)	(566,205)	(246,368)
Total Other Financing Sources (Uses)	2,740,163	2,836,163	2,199,795	(636,368)
Net Change in Fund Balance	8,902	(374,751)	230,979	605,730
FUND BALANCE - Beginning of Year	1,946,184	1,946,184	1,946,184	-
FUND BALANCE - END OF YEAR	$ 1,955,086	$ 1,571,433	$ 2,177,163	$ 605,730

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,300,000	$ 1,496,469	$ 1,496,469	$ -
Intergovernmental	35,000	35,000	113,009	78,009
Investment income	24,000	24,000	20,332	(3,668)
Total Revenues	1,359,000	1,555,469	1,629,810	74,341
EXPENDITURES				
Current:				
Conservation and development	180,000	180,000	175,898	4,102
Capital outlay	825,953	825,953	301,641	524,312
Total Expenditures	1,005,953	1,005,953	477,539	528,414
Excess of revenues over expenditures	353,047	549,516	1,152,271	602,755
OTHER FINANCING USES				
Transfers out	(1,487,256)	(1,487,256)	(1,487,256)	-
Total Other Financing Uses	(1,487,256)	(1,487,256)	(1,487,256)	-
Net Change in Fund Balance	(1,134,209)	(937,740)	(334,985)	602,755
FUND BALANCE - Beginning of Year	3,174,477	3,174,477	3,174,477	-
FUND BALANCE - END OF YEAR	$ 2,040,268	$ 2,236,737	$ 2,839,492	$ 602,755

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ -	$ 1,168	$ 1,168	$ -
Investment income	13,000	13,000	15,627	2,627
Miscellaneous	-	-	9,009	9,009
Total Revenues	13,000	14,168	25,804	11,636
EXPENDITURES				
Current				
Conservation and development	150,837	150,837	79,335	71,502
Capital outlay	4,441,700	4,441,700	4,325,879	115,821
Total Expenditures	4,592,537	4,592,537	4,405,214	187,323
Excess (deficiency) of revenues over expenditures	(4,579,537)	(4,578,369)	(4,379,410)	198,959
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation notes	1,060,935	1,060,935	-	(1,060,935)
Transfers out	(184,713)	(184,713)	(184,713)	-
Total Other Financing Sources (Uses)	876,222	876,222	(184,713)	(1,060,935)
Net Change in Fund Balance	(3,703,315)	(3,702,147)	(4,564,123)	(861,976)
FUND BALANCE - Beginning of Year	4,954,586	4,954,586	4,954,586	-
FUND BALANCE - END OF YEAR	$ 1,251,271	$ 1,252,439	$ 390,463	$ (861,976)

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.

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2016

	Special Revenue Funds			
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund
ASSETS				
Cash and investments	$ -	$ -	$ -	$ -
Receivables				
Accrued interest	-	-	-	-
Restricted Assets				
Cash and investments	63,914	16,569	8,402	148,723
Interest	126	59	41	276
TOTAL ASSETS	$ 64,040	$ 16,628	$ 8,443	$ 148,999
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-
Fund Balances				
Restricted	64,040	16,628	8,443	148,999
Committed	-	-	-	-
Total Fund Balances	64,040	16,628	8,443	148,999
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 64,040	$ 16,628	$ 8,443	$ 148,999

Special Revenue Funds						
Senior Van Replacement Fund	Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	Total Nonmajor Governmental Funds
$ 26,169	$ 24,720	$ 67,921	$ 794	$ 115,871	$ 90,329	$ 325,804
69	37	158	3	-	166	433
-	-	-	-	-	-	237,608
-	-	-	-	-	-	502
$ 26,238	$ 24,757	$ 68,079	$ 797	$ 115,871	$ 90,495	$ 564,347
$ -	$ 7,780	$ -	$ -	$ -	$ -	$ 7,780
-	7,780	-	-	-	-	7,780
-	-	-	-	115,871	-	353,981
26,238	16,977	68,079	797	-	90,495	202,586
26,238	16,977	68,079	797	115,871	90,495	556,567
$ 26,238	$ 24,757	$ 68,079	$ 797	$ 115,871	$ 90,495	$ 564,347

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds			
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund
REVENUES				
Public charges for services	$ 6,652	$ 10,465	$ 7,868	$ 20,608
Investment income	393	245	152	876
Miscellaneous	-	-	-	-
Total Revenues	7,045	10,710	8,020	21,484
EXPENDITURES				
Current				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	7,045	10,710	8,020	21,484
OTHER FINANCING USES				
Transfers out	-	(26,000)	(20,000)	-
Total Other Financing Uses	-	(26,000)	(20,000)	-
Net Change in Fund Balances	7,045	(15,290)	(11,980)	21,484
FUND BALANCES - Beginning of Year	56,995	31,918	20,423	127,515
FUND BALANCES - END OF YEAR	$ 64,040	$ 16,628	$ 8,443	$ 148,999

	Special Revenue Funds						
	Senior Van Replacement Fund	Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	Total Nonmajor Governmental Funds
	$ 3,736	$ -	$ -	$ -	$ -	$ 37,983	$ 87,312
	160	229	460	2	16	620	3,153
	-	3,311	12,567	600	2,239	-	18,717
	3,896	3,540	13,027	602	2,255	38,603	109,182
	-	15,155	2,640	-	-	-	17,795
	-	-	-	111	8	24,184	24,303
	-	15,155	2,640	111	8	24,184	42,098
	3,896	(11,615)	10,387	491	2,247	14,419	67,084
	-	-	-	-	-	-	(46,000)
	-	-	-	-	-	-	(46,000)
	3,896	(11,615)	10,387	491	2,247	14,419	21,084
	22,342	28,592	57,692	306	113,624	76,076	535,483
	$ 26,238	$ 16,977	$ 68,079	$ 797	$ 115,871	$ 90,495	$ 556,567

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 3,000	$ 3,000	$ 6,652	$ 3,652
Investment income	600	600	393	(207)
Total Revenues	3,600	3,600	7,045	3,445
Net Change in Fund Balance	3,600	3,600	7,045	3,445
FUND BALANCE - Beginning of Year	56,995	56,995	56,995	-
FUND BALANCE - END OF YEAR	$ 60,595	$ 60,595	$ 64,040	$ 3,445

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 5,000	$ 5,000	$ 10,465	$ 5,465
Investment income	300	300	245	(55)
Total Revenues	5,300	5,300	10,710	5,410
OTHER FINANCING USES				
Transfers out	(26,000)	(26,000)	(26,000)	-
Net Change in Fund Balance	(20,700)	(20,700)	(15,290)	5,410
FUND BALANCE - Beginning of Year	31,918	31,918	31,918	-
FUND BALANCE - END OF YEAR	$ 11,218	$ 11,218	$ 16,628	$ 5,410

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 5,000	$ 5,000	$ 7,868	$ 2,868
Investment income	250	300	152	(148)
Total Revenues	5,250	5,300	8,020	2,720
OTHER FINANCING USES				
Transfers out	(20,000)	(26,000)	(20,000)	6,000
Net Change in Fund Balance	(14,750)	(20,700)	(11,980)	8,720
FUND BALANCE - Beginning of Year	20,423	20,423	20,423	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ 5,673	$ (277)	$ 8,443	$ 8,720

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 5,000	$ 5,000	$ 20,608	$ 15,608
Investment income	1,300	1,300	876	(424)
Total Revenues	6,300	6,300	21,484	15,184
Net Change in Fund Balance	6,300	6,300	21,484	15,184
FUND BALANCE - Beginning of Year	127,515	127,515	127,515	-
FUND BALANCE - END OF YEAR	$ 133,815	$ 133,815	$ 148,999	$ 15,184

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 2,100	$ 2,100	$ 3,736	$ 1,636
Investment income	220	220	160	(60)
Total Revenues	2,320	2,320	3,896	1,576
Net Change in Fund Balance	2,320	2,320	3,896	1,576
FUND BALANCE - Beginning of Year	22,342	22,342	22,342	-
FUND BALANCE - END OF YEAR	$ 24,662	$ 24,662	$ 26,238	$ 1,576

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Investment income	$ 200	$ 200	$ 229	$ 29
Miscellaneous	-	10,000	3,311	(6,689)
Total Revenues	200	10,200	3,540	(6,660)
EXPENDITURES				
Public safety	4,000	4,000	15,155	(11,155)
Total Expenditures	4,000	4,000	15,155	(11,155)
Net Change in Fund Balance	(3,800)	6,200	(11,615)	(17,815)
FUND BALANCE - Beginning of Year	28,592	28,592	28,592	-
FUND BALANCE - END OF YEAR	$ 24,792	$ 34,792	$ 16,977	$ (17,815)

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Investment income	$ 515	$ 400	$ 460	$ 60
Miscellaneous	7,000	7,000	12,567	5,567
Total Revenues	7,515	7,400	13,027	5,627
EXPENDITURES				
Public safety	4,000	4,000	2,640	1,360
Total Expenditures	4,000	4,000	2,640	1,360
Net Change in Fund Balance	3,515	3,400	10,387	6,987
FUND BALANCE - Beginning of Year	57,692	57,692	57,692	-
FUND BALANCE - END OF YEAR	$ 61,207	$ 61,092	$ 68,079	$ 6,987

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Investment income	$ 8	$ 2	$ 2	$ -
Miscellaneous	600	600	600	-
Total Revenues	608	602	602	-
EXPENDITURES				
Culture and recreation	469	469	111	358
Total Expenditures	469	469	111	358
Net Change in Fund Balance	139	133	491	358
FUND BALANCE - Beginning of Year	306	306	306	-
FUND BALANCE - END OF YEAR	$ 445	$ 439	$ 797	$ 358

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND
For the Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Investment income	$ 100	$ 100	$ 16	$ (84)
Miscellaneous	5,000	5,000	2,239	(2,761)
Total Revenues	5,100	5,100	2,255	(2,845)
EXPENDITURES				
Culture and recreation	500	500	8	492
Total Expenditures	500	500	8	492
Net Change in Fund Balance	4,600	4,600	2,247	(2,353)
FUND BALANCE - Beginning of Year	113,624	113,624	113,624	-
FUND BALANCE - END OF YEAR	$ 118,224	$ 118,224	$ 115,871	$ (2,353)

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 30,000	$ 30,000	$ 37,983	$ 7,983
Investment income	600	600	620	20
Total Revenues	30,600	30,600	38,603	8,003
EXPENDITURES				
Culture and recreation	23,000	23,000	24,184	(1,184)
Total Expenditures	23,000	23,000	24,184	(1,184)
Net Change in Fund Balance	7,600	7,600	14,419	6,819
FUND BALANCE - Beginning of Year	76,076	76,076	76,076	-
FUND BALANCE - END OF YEAR	$ 83,676	$ 83,676	$ 90,495	$ 6,819

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, 2016

	Health Insurance Fund	Dental Insurance Fund	Totals
ASSETS			
Current Assets			
Cash and investments	$ 1,432,068	$ 43,002	$ 1,475,070
Receivables			
Accounts	9,455	-	9,455
Interest	1,180	179	1,359
Total Assets	1,442,703	43,181	1,485,884
LIABILITIES			
Current Liabilities			
Accounts payable	-	8,922	8,922
Total Current Liabilities	-	8,922	8,922
Total Liabilities	-	8,922	8,922
NET POSITION			
Unrestricted	1,442,703	34,259	1,476,962
TOTAL NET POSITION	$ 1,442,703	$ 34,259	$ 1,476,962

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Health Insurance Fund	Dental Insurance Fund	Totals
OPERATING REVENUES			
Premiums	$ 1,834,188	$ 108,879	$ 1,943,067
Total Operating Revenues	1,834,188	108,879	1,943,067
OPERATING EXPENSES			
General government	1,357,920	96,997	1,454,917
Total Operating Expenses	1,357,920	96,997	1,454,917
Operating Income	476,268	11,882	488,150
NONOPERATING REVENUES			
Investment income	5,251	138	5,389
Total Nonoperating Revenues	5,251	138	5,389
Change in net position	481,519	12,020	493,539
NET POSITION - Beginning of Year	961,184	22,239	983,423
NET POSITION - END OF YEAR	$ 1,442,703	$ 34,259	$ 1,476,962

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Health Insurance Fund	Dental Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from other funds	$ 1,834,188	$ 108,879	$ 1,943,067
Paid to suppliers for goods and services	(1,396,993)	(96,672)	(1,493,665)
Net Cash Flows From Operating Activities	437,195	12,207	449,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	4,629	164	4,793
Net Cash Flows From Investing Activities	4,629	164	4,793
Net Change in Cash and Cash Equivalents	441,824	12,371	454,195
CASH AND CASH EQUIVALENTS - Beginning of Year	990,244	30,631	1,020,875
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,432,068	$ 43,002	$ 1,475,070
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	$ 476,268	$ 11,882	$ 488,150
Changes in assets and liabilities			
Accounts receivable	(9,455)	-	(9,455)
Accounts payable	(29,618)	325	(29,293)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 437,195	$ 12,207	$ 449,402

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

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, 2016

	Balance 1-1-16	Additions	Deductions	Balance 12-31-16
TAX COLLECTION FUND				
Assets				
Cash and investments	$ 23,075,402	$ 22,630,146	$ 23,075,402	$ 22,630,146
Taxes receivable	7,631,482	8,147,208	7,631,482	8,147,208
TOTAL ASSETS	$ 30,706,884	$ 30,777,354	$ 30,706,884	$ 30,777,354
Liabilities				
Accounts payable	$ 88,003	$ 102,349	$ 88,003	$ 102,349
Due to other governments	30,618,881	30,675,005	30,618,881	30,675,005
TOTAL LIABILITIES	$ 30,706,884	$ 30,777,354	$ 30,706,884	$ 30,777,354

Statistical Section

This part of the Village of Germantown's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

FINANCIAL TRENDS – TABLES 1-4

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

Schedule 1 – Statement of Net Position by Component
Schedule 2 – Changes in Net Position
Schedule 3 – Fund Balances, Governmental Funds
Schedule 4 – Changes in Fund Balances, Total Governmental Funds

REVENUE CAPACITY – TABLES 5 - 13

These schedules contain information to help the reader assess the village's most significant local revenue source, the property tax, as well as other significant revenue sources which include the Water and Wastewater utilities.

Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property
Schedule 6 – Direct and Overlapping Property Tax Rates
Schedule 7 – Principal Property Tax Payers, Current and Nine Years Ago
Schedule 8 – Property Tax Levies and Collections
Schedule 9 – Water and Wastewater Utility – Customer Count
Schedule 10 – Water Utility Customer Summary
Schedule 11 – Water Utility Customer Rates
Schedule 12 – Wastewater Utility Customer Summary
Schedule 13 – Wastewater Utility Customer Rates

DEBT CAPACITY – TABLES 14 - 18

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

Schedule 14 – Ratio of Outstanding Debt
Schedule 15 – Ratio of General Bonded Debt Outstanding
Schedule 16 – Direct and Overlapping Governmental Activities - Debt
Schedule 17 – Legal Debt Margin
Schedule 18 – Pledged, Revenue Coverage, Water Utility

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 19 - 20

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

Schedule 19 – Demographic and Economic Indicators
Schedule 20 – Principal Employers

OPERATING INFORMATION – TABLES 21 - 24

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

Schedule 21 – Full-time Equivalent Village Governmental Employees by Function/Program
Schedule 22 – Operating Indicators by Function/Program
Schedule 23 – Capital Asset Statistics
Schedule 24 - Building Permits

Sources: Unless otherwise noted, the information noted in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB 34 in 2003, Infrastructure reporting prior to 2003 was completed in 2007.

Village of Germantown, Wisconsin

Table 1

Statement of Net Position by Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net Investment in Capital Assets	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	60,795,354
Restricted	274,575	270,559	197,242	206,743	4,503,846	5,969,086	6,064,600	10,384,891	10,350,597	3,583,936
Unrestricted (deficit)	(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)	832,027
Total governmental activities net position	52,455,038	54,299,090	55,898,525	57,790,760	59,960,731	62,892,904	63,799,677	64,385,764	68,184,508	65,211,317
Business-type activities										
Net Investment in Capital Assets	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	61,295,788
Restricted	980,003	791,539	809,221	686,986	624,121	625,311	639,877	683,237	835,537	645,764
Unrestricted	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	9,064,837
Total business-type activities net position	67,355,591	67,174,739	66,654,890	65,588,751	65,213,515	65,531,674	65,750,398	66,625,238	68,184,410	71,006,389
Primary Government										
Net Investment in Capital Assets	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	120,306,059
Restricted	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	4,229,700
Unrestricted	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	11,681,947
Total primary government net position	119,810,629	121,473,829	122,553,415	123,379,511	125,174,246	128,424,578	129,550,078	131,011,002	136,368,918	136,217,706

Village of Germantown, Wisconsin Table 2

Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

Expenses

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
General government	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	1,918,870
Public safety	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	7,481,578
Public works	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	7,675,764
Culture and recreation	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	2,848,306
Conservation and development	414,328	689,757	343,793	308,014	269,046	254,211	757,450	2,090,544	365,437	2,530,367
Interest & Fiscal charges	1,515,214	1,512,404	1,392,104	1,235,140	1,113,907	941,011	1,013,868	751,307	894,302	686,590
Total governmental activities expense	17,344,384	19,077,529	17,337,702	17,577,325	18,042,783	18,121,653	19,054,542	20,132,290	18,460,894	23,141,475
Business-type activities										
Water	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	1,966,798
Wastewater	4,652,053	5,014,472	4,796,423	5,016,187	5,202,166	5,488,406	5,533,202	5,571,720	6,026,848	6,306,500
Total business-type activities expenses	6,347,433	7,039,265	6,401,150	6,830,661	7,048,244	7,455,751	7,505,884	7,664,084	7,966,712	8,273,298
Total primary government expenses	23,691,817	26,116,794	23,738,852	24,407,986	25,091,027	25,577,404	26,560,426	27,796,374	26,427,606	31,414,773

Program Revenues

Governmental activities	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Charges for Services										
General government	204,502	263,333	265,483	279,204	266,974	310,657	312,260	305,520	320,634	311,203
Public safety	786,486	877,071	719,415	731,949	828,539	960,015	1,052,083	1,158,225	1,099,257	965,276
Public works	286,385	249,199	190,342	166,902	242,763	252,638	271,587	271,855	223,462	149,461
Culture and recreation	550,741	787,828	839,153	926,718	887,803	923,857	939,005	1,001,646	1,086,100	1,112,829
Conservation and development	16,619	14,638	8,562	7,973	8,487	14,578	13,808	14,861	15,662	10,380
Operating grants and contributions	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	1,457,476
Capital grants and contributions	262,821	2,468,296	617,381	370,030	65,370	536,093	86,063	111,489	227,012	483,058
Total governmental activities program revenues	3,513,784	6,123,672	4,071,242	3,948,844	3,890,762	4,425,234	4,133,700	4,329,662	4,492,010	4,489,683
Business-type activities										
Charges for services:										
Water and Wastewater	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	9,267,041
Capital Grants and contributions	1,429,684	1,721,377	956,876	432,757	579,958	381,262	118,335	928,330	349,330	2,288,166
Total business-type activities program revenues	6,723,673	7,028,235	6,310,178	6,239,235	7,192,586	8,339,442	8,300,051	9,025,978	9,718,087	11,555,207
Total primary government program revenues	10,237,457	13,151,907	10,381,420	10,188,079	11,083,348	12,764,676	12,433,751	13,355,640	14,210,097	16,044,890

Net (Expense) Revenue

Governmental Activities	(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)	(18,651,792)
Business-type Activities	376,240	(11,030)	(90,972)	(591,426)	144,342	883,691	794,167	1,361,894	1,751,375	3,281,909
Total Primary government net expense	(13,454,360)	(12,964,887)	(13,357,432)	(14,219,907)	(14,007,679)	(12,812,728)	(14,126,675)	(14,440,734)	(12,217,509)	(15,369,883)

General Revenues
and Other Changes in Net Position

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Taxes										
Property Taxes	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	13,658,505
Intergovernmental revenues	745,847	721,801	1,006,788	987,881	971,494	1,027,432	1,001,520	946,067	993,240	1,033,149
Investment income	780,428	515,428	143,110	111,559	151,222	126,365	65,225	135,166	123,261	120,496
Other	549,603	701,768	355,390	399,508	893,020	1,178,751	341,198	1,871,679	568,135	352,951
Total General Revenues Government Activities	14,045,665	14,351,150	14,381,460	14,987,069	15,773,038	16,048,922	15,252,910	15,859,469	14,509,966	15,165,101
Business-type Activities:										
Investment Income (Loss)	439,874	276,937	55,558	58,934	29,376	14,138	(738)	42192	45,226	53,570
Other	4,246	-	-	-	-	-	-	-	-	-
Total General Revenues Business-type Activities	444,120	276,937	55,558	58,934	29,376	14,138	(738)	42,192	45,226	53,570
Total Primary Government	14,489,785	14,628,087	14,437,018	15,046,003	15,802,414	16,063,060	15,252,172	15,901,661	14,555,192	15,218,671

Change in Net Position

Governmental Activities	641,920	1,844,052	1,599,435	1,892,235	2,169,971	2,932,173	906,773	586,087	1,069,235	(2,973,191)
Business-type Activities	393,505	(180,852)	(519,849)	(1,066,139)	(375,236)	318,159	218,724	874,840	1,268,448	2,821,979
Total Primary Government	1,035,425	1,663,200	1,079,586	826,096	1,794,735	3,250,332	1,125,497	1,460,927	2,337,683	(151,212)

Village of Germantown, Wisconsin Table 3

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved for:										
Non-current receivables	53,389	78,841	88,735	99,505	-	-	-	-	-	-
Payment in lieu of taxes	426,855	446,759	484,435	533,647	-	-	-	-	-	-
Designated for carryovers	-	-	-	91,263	-	-	-	-	-	-
Undesignated	1,274,521	919,250	1,277,719	1,817,020	-	-	-	-	-	-
Nonspendable	-	-	-	-	65,937	54,782	67,183	149,592	2,248	16,035
Assigned - payment in lieu of taxes	-	-	-	-	548,954	579,670	574,705	529,246	528,153	513,500
Assigned - carryovers	-	-	-	-	254,097	328,036	202,503	187,608	471,661	332,882
Unassigned	-	-	-	-	2,385,601	2,993,040	3,271,462	3,403,046	3,926,381	4,454,981
Total general fund	1,754,765	1,444,850	1,850,889	2,541,435	3,254,589	3,955,528	4,115,853	4,269,492	4,928,443	5,317,398
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	91,956	(160,612)	40,002	233,960	-	-	-	-	-	-
Impact fees	170,204	164,883	89,031	97,765	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Special revenue funds	156,964	141,272	144,210	144,403	-	-	-	-	-	-
Capital projects funds	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	4,295,658
Committed	-	-	-	-	51,544	61,986	94,394	141,277	185,008	202,586
Assigned	-	-	-	-	1,079,892	795,282	1,023,168	1,252,639	1,863,541	1,558,510
Total all other governmental funds	11,140,838	6,473,945	5,544,484	5,564,021	7,101,704	7,879,737	7,541,954	12,973,601	11,380,184	6,056,754
Total fund balance, governmental funds	12,895,603	7,918,795	7,395,373	8,105,456	10,356,293	11,835,265	11,657,807	17,243,093	16,308,627	11,374,152

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

Source: Comprehensive Annual Financial Reports

Village of Germantown, Wisconsin Table 4

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	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	13,670,499
Special Assessments	41,197	360,183	314,115	263,451	284,381	288,768	309,302	339,950	363,716	514,964
Intergovernmental	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	2,473,891
Regulation and compliance	879,076	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161	1,095,844	838,034
Public charges for services	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	1,821,522
Interdepartmental charges	47,507	49,819	61,995	53,000	95,000	-	-	-	-	-
Investment income	768,997	508,194	148,150	106,457	148,577	125,851	63,566	133,479	115,493	113,796
Miscellaneous	318,030	230,299	244,627	249,299	886,517	2,007,897	200,216	2,059,497	706,697	157,046
Total Revenues	17,106,686	17,882,294	18,052,996	18,865,891	19,955,021	21,058,900	19,516,846	20,632,169	19,280,641	19,589,752
Expenditures										
General Government	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	1,508,556
Public Safety	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	6,660,795
Public Works	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	3,446,015
Culture and recreation	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	2,625,584
Conservation and development	208,872	234,035	222,248	207,684	199,172	187,562	692,834	452,337	422,986	476,696
Capital Outlay	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	7,500,467
Debt Service										
Principal	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	6,560,000
Interest and fiscal charges	1,465,533	1,435,035	1,348,891	1,056,393	1,079,467	930,029	722,234	617,882	741,975	670,932
Debt issuance costs	83,873	5,384	50,656	100,434	44,039	80,370	35,536	147,838	58,658	68,698
Total Expenditures	20,808,850	25,164,301	24,496,565	20,474,316	20,537,024	23,333,115	22,174,009	25,266,330	23,468,506	29,517,743
Excess (Deficiency) of Revenues										
Over Expenditures	(3,702,164)	(7,282,007)	(6,443,569)	(1,608,425)	(582,003)	(2,274,215)	(2,657,163)	(4,634,161)	(4,187,865)	(9,927,991)
Other Financing Sources (Uses):										
Proceeds from the sale of land	334,080	363,940	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	-	151,380	-	-
Issuance of general obligation notes	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	2,670,000
Issuance of refunding debt	-	-	3,740,000	3,905,000	-	3,890,000	-	1,065,000		1,665,000
Premium on long-term debt	5,059	-	-	3,740	83,886		-	423,821	70,246	145,016
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	(3,918,339)	-	(3,086,483)	-	-	-	-
Transfers In	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	2,893,674
Transfers Out	(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)	(2,380,174)
Total Other Financing Uses	5,175,994	2,305,199	5,919,607	2,319,048	2,832,840	3,753,187	2,479,705	10,219,447	3,253,399	4,993,516
Net Change in Fund Balances	1,473,830	(4,976,808)	(523,962)	710,623	2,250,837	1,478,972	(177,458)	5,585,286	(934,466)	(4,934,475)
Debt Service as a percentage of noncapital expenditures [1]	28.77%	28.64%	41.56%	27.71%	26.76%	29.27%	23.02%	26.71%	26.51%	27.18%

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

[1] Amount of capital outlay that was not capitalized in 2016 - $4,589,686

Village of Germantown, Wisconsin Table 5

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

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		
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%
2016	2,426,870,700	2,438,914,100	63,628,000	62,965,700	2,490,498,700	2,501,879,800	0.497	99.01%

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: Basic	Debt Service	Capital Projects	Total Tax Rate	Overlapping Rates: Germantown School District	Washington County	Milwaukee Area Technical College	State of Wisconsin	Total Tax Levy
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
2016	3.94	1.03	0.00	4.97	8.79	2.59	1.27	0.17	17.78

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	Schools [1]	County	Other [2]	Total Full Value Effective Rate [3]
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
2016/17	4.94	10.01	2.58	0.18	16.87

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

Taxpayer	2016 Estimated Equalized Value [1]	2016 Percentage Village's Total Equalized Value	2007 Taxable Equalized Value	2007 Percentage Village's Total Equalized Value
The Gables of Germantown LLC	21,895,200	0.88%	12,915,700	0.72%
Airgas Safety	20,045,000	0.80%		
Sentinel Germantown	17,871,600	0.71%		
Meridian Germantown LLC	16,560,600	0.66%	15,442,182	0.86%
Cambridge Major Laboratories	15,756,700	0.63%		
Heather Lake	13,275,100	0.53%		
Stonehedge Properties	12,855,700	0.51%	11,832,700	0.66%
Stag Germantown LLC	9,142,300	0.37%		
Germantown Properties	8,736,200	0.35%		
Menard's	8,581,900	0.34%	9,817,017	0.55%
Waste Management			10,337,012	0.58%
Compass Properties			9,900,200	0.55%
Devo Germantown LLC			8,772,700	0.49%
Gehl's Guernsey			6,318,400	0.35%
Germantown Plaza			7,649,800	0.43%
Fountain Square			6,323,700	0.35%
Total	$144,720,300	5.78%	$99,309,411	5.53%

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

[1] *Estimated by dividing the assessed calues by the ratio of assessed to equalized value for the Village*
Sources CAFR 2016, 2007 & Final Official Statements February 24, 2017

a) Total Equalized Value January 1, 2016 = *$ 2,501,879,800*
b) Total Equalized Value January 1, 2007 = *$ 1,795,275,133*

Village of Germantown, Wisconsin Table 8

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy [1]		Collection in Subsequent Years [2]		Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
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%	10,577,270		43,878,789	99.97%
2016	44,292,776	33,949,559	76.65%	10,306,351	**	44,255,910	99.92%

** 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.

[1] *The amount shown is net of the State Tax Credit*

[2] *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 Table 9

Water & Wastewater Utility - Customer Count

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Water and Sewer										
Number of Water Customers	5,426	5,469	5,479	5,510	5,238	5255	5311	5359	5440	5460
Average Daily Water Consumption (gallons)	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	1,526,655
Number of Wastewater Customers	5,685	5,727	5,744	5,770	5,497	5511	5552	5603	5682	5696

*2016 fluctuation in consumption due to large water user with its own water source, periodically uses Village water, in prior years they had a problem with their pumping system and used Village water source as primary.

Village of Germantown, Wisconsin Table 10

Water Utility Customer Summary

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013*	2014	2015	2016	
Number of customers											
Residential	4,595	4,628	4,636	4,663	4,670	4685	4727	4774	4840	4857	
Res - Multi-Family*							107	107	108	108	
Commercial	785	801	802	802	523	528	432	433	451	450	
Industrial	27	21	21	21	21	22	22	22	22	22	
Public	19	19	20	24	24	20	23	23	19	23	
Total	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440	5,460	
Gallons (thousands)											
Residential	312,443	306,127	301,575	281,134	281,405	314,016	278,289	264,880	270,293	262,740	
Res - Multi-Family*							49,595	49,317	51,143	49,760	
Commercial	167,068	168,601	177,733	170,811	180,989	176,460	119,599	106,747	121,561	126,118	
Industrial	44,493	36,936	34,067	43,368	47,300	53,276	181,544	227,407	247,368	134,939	**
Public	10,248	10,774	11,231	9,928	10,080	9,702	9,373	7,952	8,372	8,877	
Total	534,252	522,438	524,606	505,241	519,774	553,454	638,400	656,303	698,737	582,434	

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

** Reduction in water due to large industrial customer with their own water source, had used Village water previously due to problems with their pumping system, still use Village source periodically

Village of Germantown, Wisconsin

Table 11

Water Utility Customer Rates
Last Ten Fiscal Years

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Metered Service				*	**			***	****		
Quarterly Service Charge											
5/8	inch meter	$13.20	$13.20	$13.60	$14.40	14.40	14.40	14.83	15.27	15.27	15.27
3/4	inch meter	$13.20	$13.20	$13.60	$14.40	14.40	14.40	14.83	15.27	15.27	15.27
1	inch meter	$22.50	$22.50	$23.18	$24.00	24.00	24.00	24.72	25.46	25.46	25.46
1 1/4	inch meter	$30.75	$30.75	$31.67	$33.00	33.00	33.00	33.99	35.01	35.01	35.01
1 1/2	inch meter	$39.00	$39.00	$40.17	$42.00	42.00	42.00	43.26	44.56	44.56	44.56
2	inch meter	$60.00	$60.00	$61.80	$63.00	63.00	63.00	64.89	66.84	66.84	66.84
3	inch meter	$99.00	$99.00	$101.97	$105.00	105.00	105.00	108.15	111.39	111.39	111.39
4	inch meter	$156.00	$156.00	$160.68	$162.00	162.00	162.00	166.86	171.87	171.87	171.87
6	inch meter	$288.00	$288.00	$296.64	$300.00	300.00	300.00	309.00	318.24	318.24	318.24
8	inch meter	$444.00	$444.00	$457.32	$462.00	462.00	462.00	475.86	490.14	490.14	490.14
10	inch meter	$648.00	$648.00	$667.44	$675.00	675.00	675.00	695.25	716.11	716.11	716.11
12	inch meter	$855.00	$855.00	$880.65	$891.00	891.00	891.00	917.73	945.26	945.26	945.26
Volume rate (per 1,000 gallons)											
First	100,000 gallons	$1.94	$1.94	$2.00	$2.16	$2.16	$2.16	$2.22	$2.29	$2.29	$2.29
Next	900,000 gallons	$1.65	$1.65	$1.70	$1.75	$1.75	$1.75	$1.91	$1.97	$1.97	$1.97
Over	1,000,000 gallons	$1.42	$1.42	$1.46	$1.57	$1.57	$1.57	$1.62	$1.67	$1.67	$1.67
Public Fire Protection											
Annual service charge to the Village of Germantown		$491,824	$491,824	$506,579	$506,579	$506,579	$506,579	$521,776	$537,429	$537,429	$537,429
Private Fire Protection											
Quarterly Service Charge											
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 Table 12

Wastewater Utility Customer Summary

Last Ten Fiscal Years

	2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016
Number of customers										
Residential	4,348	4,380	4,389	4,412	4,419	4,432	4,473	4,519	4,564	4,574
Commercial	1,290	1,301	1,308	1,308	1,028	1,027	1,026	1,031	1,066	1,070
Industrial	27	26	27	29	29	31	32	32	31	31
Public	20	20	20	21	21	21	21	21	21	21
Total	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696
Gallons (thousands)										
Residential	297,855	291,335	296,805	266,797	268,106	298,742	263,821	251,582	255,996	249,473
Commercial	159,093	160,627	168,260	165,434	174,766	171,901	159,206	139,755	160,665	161,433
Industrial	144,392	138,293	117,070	142,091	160,703	194,685	216,399	189,970	307,978	272,429
Public	9,095	9,237	9,666	7,953	7,893	7,368	7,264	8,035	8,304	8,022
Total	610,435	599,492	591,801	582,275	611,468	672,696	646,690	589,342	732,943	691,357

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 single 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 Table 13

Wastewater Utility Customer Rates

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Metered Service			*	**	*** ****			*****		
Quarterly Service Charge										
5/8 inch meter	$20.00	$20.00	$25.00	$27.50	$31.63	$36.37	$36.37	$40.01	$40.01	$40.01
3/4 inch meter	$20.00	$20.00	$25.00	$27.50	$31.63	$36.37	$36.37	$40.01	$40.01	$40.01
1 inch meter	$37.00	$37.00	$46.25	$50.88	$58.51	$67.29	$67.29	$74.02	$74.02	$74.02
1 1/2 inch meter	$51.00	$51.00	$63.75	$70.13	$80.65	$92.75	$92.75	$102.02	$102.02	$102.02
2 inch meter	$66.00	$66.00	$82.50	$90.75	$104.36	$120.01	$120.01	$132.02	$132.02	$132.02
3 inch meter	$101.00	$101.00	$126.25	$138.88	$159.71	$183.67	$183.67	$202.03	$202.03	$202.03
4 inch meter	$181.00	$181.00	$226.25	$248.88	$286.21	$329.14	$329.14	$362.06	$362.06	$362.06
6 inch meter	$296.00	$296.00	$370.00	$407.00	$468.05	$538.26	$538.26	$592.08	$592.08	$592.08
Volume rate (per 1,000 gallons)										
All Classes	$4.32	$4.32								
Residential Only			$4.32	$4.752	$5.465	$6.285	$6.285	$6.913	$6.913	$6.913
Commercial, Industrial, Public			$5.40	$5.940	$6.831	$7.856	$7.856	$8.641	$8.641	$8.641
General Unmetered Service										
Flat rate	$96.68	$96.68	$101.68	$111.85	$128.63	$147.93	$147.93	$162.75	$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

* 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

	Governmental Activities					Business-type Activities				
Fiscal Year Ended December 31,	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other Obligations	Capital Leases	Water Utility Revenue Bonds	Water & Sewer Utility Notes	Total Primary Government	Debt per Capita	Population
2007	14,000,000	8,285,000	15,982,583	91,376		1,090,000	-	39,448,959	2,008	19,650
2008	12,540,000	8,960,000	14,186,661	46,367		1,045,000	-	36,778,028	1,872	19,650
2009	9,540,000	7,880,000	13,990,738	1,695,172		1,048,574	-	34,154,484	1,738	19,650
2010	5,135,000	8,525,000	15,917,927	1,467,834		1,666,067	-	32,711,828	1,656	19,749
2011	4,345,000	9,435,000	14,278,605	1,261,533		1,649,069	-	30,969,207	1,566	19,772
2012	735,000	10,410,000	16,170,407	251,642		1,566,328	-	29,133,377	1,471	19,803
2013	410,000	10,845,000	14,272,770	127,985		1,482,713	-	27,138,468	1,370	19,811
2014	5,790,000	11,760,000	12,146,752	-	129,579	1,393,201	-	31,219,532	1,570	19,891
2015	5,765,000	11,540,000	10,528,381	-	97,887	1,302,768	-	29,234,036	1,464	19,972
2016	5,740,000	14,250,000	5,695,028	-	65,933	1,211,390	-	26,962,351	1,348	20,008

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

Population trend per US Census Bureau, and estimates per Official Statements

Village of Germantown, Wisconsin Table 15

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

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 Capita	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds						
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
2016	5,740,000	14,250,000	5,695,028	(93,069)	25,591,959	1.02%	2,501,879,800	1,279	20,008

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, Feb 24, 2017 Official Statement

Village of Germantown, Wisconsin Table 16

Direct and Overlapping Governmental Activities Debt

As of December 31, 2016

Governmental Unit	2016 Equalized Value	Total G.O. Debt Outstanding	Village EV Percentage of District		Village Proportionate Share
Milwaukee Area Technical College	74,894,292,761	75,905,000	3.3405%	1	2,535,607
Germantown School District	3,332,244,923	14,719,204	75.0809%		11,051,311
Washington County	13,843,873,200	10,965,000	18.0721%		1,981,606
Subtotal, overlapping debt	92,070,410,884	101,589,204	0.62%	2	15,568,523
Village Direct Debt	2,501,879,800	25,750,961	100.000%		25,750,961
Village Debt to Equalized Value		127,340,165	1.03%	3	
Total Direct and overlapping debt					41,319,484
Debt Per Capita Village General Obligation Debt					1,287.03 [4]
Debt Per Capita Village Share of Overlapping Debt					778.11
					2,065.15

Source: Financial Officers of the overlapping School Districts and Counties, Official Statement dated February 24, 2017

[1] *Percentage of village equalized value to district equalized value.*

[2] *Percentage of village overlapping debt outstanding to village equalized value*

[3] *Percentage of village outstanding debt to village equalized*

[4] *Population 2016 estimate 20,008, debt per capita*

Village of Germantown, Wisconsin Table 17

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin calculations for Fiscal Year 2016	
2016 Equalized Valuation	$2,501,879,800
Debt Limit (5% of current equalized value)	$125,093,990
Debt applicable to limit - General obligation bonds	$25,130,000
Legal Debt margin	$99,963,990

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Statutory Debt Limit	$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	$125,093,990
Total Net Debt Applicable to limit	$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	$25,130,000
Unused Debt Limit	$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	$99,963,990
Total Net Debt Applicable to the limit as a percentage of debt limit	32.48%	29.41%	27.03%	26.08%	24.86%	24.47%	23.26%	25.62%	22.74%	20.09%

Village of Germantown, Wisconsin Table 18

Pledged - Revenue Coverage - Utility

Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year Ended December 31,	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Accreted Value	Coverage Expected	Actual Debt Coverage
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
2016	2,421,804	1,162,583	1,259,221	91,378	45,187	136,565	$ 170,706	1.25	9.22

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 Table 19

Demographic and Economic Indicators

Last Ten Fiscal Years

Year	Estimated Population	Personal Income *(thousands of dollars)*	Per Capita Personal Income (thous)	Median Age	School Enrollment	Washington County Unemployment Rate
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%
2016	20,008	$733,653	$36,668	42.2	4,000	3.10%

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

Village of Germantown, Wisconsin Table 20

Principal Employers
Current Year and Nine Years Ago

	2016			2006		
Employer	Employees [2]	*Rank*	Percentage of Total Village Population	Employees [1]	*Rank*	Percentage of Total Village Population
Germantown School District	611	1	3.06%	505	1	2.58%
David Frank Landscape	300	9	1.50%			
GKN Sintered Metals				450	2	2.30%
Village of Germantown [3]	467	5	2.34%			
West 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	7	2.00%			
Moldmakers	300	8	1.50%			
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	4,288		21.47% [4]	2602		13.27% [4]

Source:

[1] *Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated April 15, 2006*

[2] *Taken from Final Official Statement for General Obligation Notes, Dated February 2017*
Reference USA, written and telephone survey (January 2017), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development

[3] *Includes full-time, part-time and seasonal employment*

4 *Village of Germantown 2010 US Census population 19,749 and a current estimated population of 20,008*
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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	7.20	7.20	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety	59.35	59.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35
Public Works	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16
Culture & Recreation	22.12	24.12	23.12	23.12	23.12	23.12	23.50	23.50	23.50	23.75
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	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30
Sewer	7.84	7.84	7.04	7.04	7.04	7.04	7.04	7.04	7.04	7.04
Total *	123.67	125.67	119.57	119.57	119.57	119.57	119.95	119.95	119.95	120.20
Total # of W2's	393	423	400	397	402	399	426	434	467	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 & Res*

Village of Germantown, Wisconsin Table 22

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Number of Sworn Officers	31	31	31	31	31	31	31	31	31	31
Number of Citations	2,122	2539	2,453	2,823	2,682	3,207	3,150	2,539	2,888	2,538
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	38	35
Public Works										
Street Surfacing/Sealcoating (miles)	6.00	3.65	3.27	2.34	3.89	5.39	2.77	1.83	1.03	6.00
Asphalt Resurface/Repairs (miles)	0.75	0.25	0.00	0.25	0.45	0.95	0.10	0.75	0.42	3.86
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
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	129,442	139,314	146,685	159,589	176,121	174,269	175,186	154917*	155,249	149,086
Water and Sewer										
Number of Water Customers	5,426	5,469	5479	5510	5238	5255	5311	5359	5440	5460
Average Daily Water Consumption (gallons)	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	1,526,655
Number of Sewer Customers	5,685	5,727	5,744	5,770	5,497	5511	5552	5603	5682	5696

* 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 Table 23

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	129.96	129.96	129.96	129.30	129.58	129.58	129.58	129.69	130.07
Sidewalks (miles)	19.00	19.45	19.45	19.66	19.76	19.76	20.38	20.38	20.48	21.25
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	6	7	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)	88.20	88.20	88.55	88.38	88.99	89.152	89.074	89.599	89.600	91.773
Fire Hydrants	1,125	1,125	1,130	1,133	1,142	1,301	1,301	1,308	1,308	1,327
Sewer										
Sanitary Sewer (miles)	88.41	89.05	89.05	89.34	89.50	90.50	93.00	96.00	97.62	99.16

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 Table 24

Building Permits

Lat Nine Fiscal Years

Type	2008	2009	2010	2011	2012	2013	2014	2015	2016
No. of All Building Permits									
Including additions & remodeling	539	454	496	432	490	598	607	554	623
Valuation	$51,530,379	$22,032,771	$16,523,902	$23,367,537	$36,865,276	$ 34,817,008	$ 55,636,764	$ 53,736,810	$ 28,781,279
New Single Family Homes									
No. of building permits	27	15	18	25	24	54	60	40	38
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	$8,595,327
New Multiple Family Buildings									
No. of building permits	2	1	1	0	2	9	2	0	0
No. of units	4	2	2	0	4	18	4	0	0
Valuation	$660,000	$362,000	$362,000	$0	$825,000	$3,022,250	$1,080,000	$0	$0
New Commercial/Industrial Buildings									
No. of building permits	13	2	70	2	7	1	4	6	2
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	$1,662,700