

VILLAGE OF GERMANTOWN Comprehensive Annual Financial Report



WISCONSIN

Fiscal Year ending December 31, 2017

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, 2017

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 21, 2018

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 fiscal year ending December 31, 2017, 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, 2017. 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 2017 estimated population is 19,965. It operates under a council-manager form of government. There are nine members on the Germantown Village Board. Eight of the members are elected from four trustee districts and the Village President is elected at large. Board members are elected to three-year terms. The appointed Village Administrator is responsible for the day-to-day operations of the Village, the appointment of administrative staff members, and the supervision of all employees.

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

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

Accounting Systems and Budgetary Control

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

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

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

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

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 2017 unassigned fund balance is 32.77% 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 \$2.58 billion tax base of equalized value is primarily residential (69.353%) but has a sizeable commercial (18.775%) and manufacturing (8.686%) presence also. The Village had fifty-three new single-family housing starts, comparable to thirty-eight in 2016, plus two multi-family buildings. One of which is a thirty-five unit apartment building in Saxony Village, one of five buildings plus a clubhouse yet to be built, and Fairway Knoll, a ninety-two unit senior apartment complex with a memory care wing. 654 total permits were issued in 2017 with a valuation of \$101,801,123. In 2016 the total number of permits was 623 with a valuation of \$28,781,279.

The Village's overall equalized value increased by 3.02%, following an increase of 3.99% the previous year. The average unemployment rate for Washington County is 2.2%, which is lower than the Wisconsin state average of 2.7% at year end. With 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 are also helpful in acquiring and keeping our residential base.

The Project Plan for Tax Incremental District No. 4 (Germantown Business Park) was 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 District is fully built and is slated to close in 2019, two years earlier than expected. The original 1994 equalized base value of the park was \$12,957,000, the valuation in 2017 is \$111,121,500.

The Village anticipates total eligible project expenditures of approximately \$9.6 million dollars for Tax Incremental District No. 6 (Willow Creek Business Park). 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 Mixed Use 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 District is bounded by Appleton Avenue, Lannon Road, and Maple Road, and is fully improved and lots are ready for sale. 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. Discount Ramps, an e-commerce company that designs and builds ramps for transportation, loading, hauling and mobility needs, began construction in 2017. The facility will be over 150,000 square feet and will include their corporate headquarters and distribution center. Additional businesses such as Ryan Companies with a 186,000 square foot building and Metro Cigars have been approved and will begin construction in 2018.

In December of 2017 the Village created Tax Incremental District No. 7. The District is designated as an Industrial TID. The area included in the District encompasses 144.2 acres owned by the J.W. Speaker Corporation. The newly created district is vacant land west and north of the J.W. Speaker facility located on Freistadt Road bounded by Goldendale Rd to the North. The District will fund water and sewer extensions along Goldendale Rd with reimbursement to the Speaker Corporation for additional infrastructure improvements within the district such as water, sewer, roadway/driveway and landscaping. The utility expansions will allow the corporation to expand its operations. The additional land and improvement valuation is approximately \$26.8 million. TID 7 also allows for the construction of both the 16" public watermain and the 18" public sanitary sewer interceptor from their current terminus approximately 2,400 feet north along Goldendale Road that will facilitate future development growth for the Village.

The Water Utility currently operates six wells, three deep wells and three shallow, with a capacity of 4,416,000 gallons per day plus three elevated tank water towers, two at 125 feet and one at 190 feet. The 2017 average daily water pumped was 1,822,438 gallons. The village is moving forward with a feasibility study and testing to determine placement of a seventh well and forth elevated tower.

The Wastewater Utility maintains 101.83 miles of sewer main, seven lift stations and one metering station. 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 expenditure. The Utility has undertaken a cured in place relining of 10,548 feet of 48" interceptor main at a cost of \$2,999,230 since 2014.

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.

In 2004, the Village adopted the 2020 Smart Growth Comprehensive Plan. As required by State Law, Smart Growth plans are intended to be the community's guide for future growth and development. These plans must include nine elements to be accepted by the State: issues and opportunities; housing; transportation; utilities and community facilities; agricultural; natural and cultural resources; economic development; intergovernmental cooperation; land use; and implementation processes. As we approach 2020, the Village is beginning the process of revising our current plan. The revision will include all of the same elements but will be updated with the changes made over the last decade, as well as with the current needs of our Village. The planning process will take months to complete and will include a "public participation program" that will provide many opportunities for residents and other stakeholders to be part of the process.

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 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 Committees, 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.

In 2018, Saxony Village will begin construction of Building Two, a 35-unit multi-family structure, which will total five buildings when complete.

Preliminary Plats have been submitted for two residential subdivisions, Heritage Hills with approximately forty-seven lots and Wrenwood subdivision with 190 lots. Prairie Glen II subdivision, with 18 lots has already begun construction on their spec homes.

Construction on Fairway Knoll, a 92-unit Senior Apartment Complex with a Memory Care unit will be complete and open the latter part of 2018.

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, 2016. This was 29 consecutive years that the government has achieved this prestigious award. 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 of one year only.

Acknowledgments

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

Respectfully submitted,



Kim E. Rath
Finance Director



Steven R. Kreklow
Village Administrator



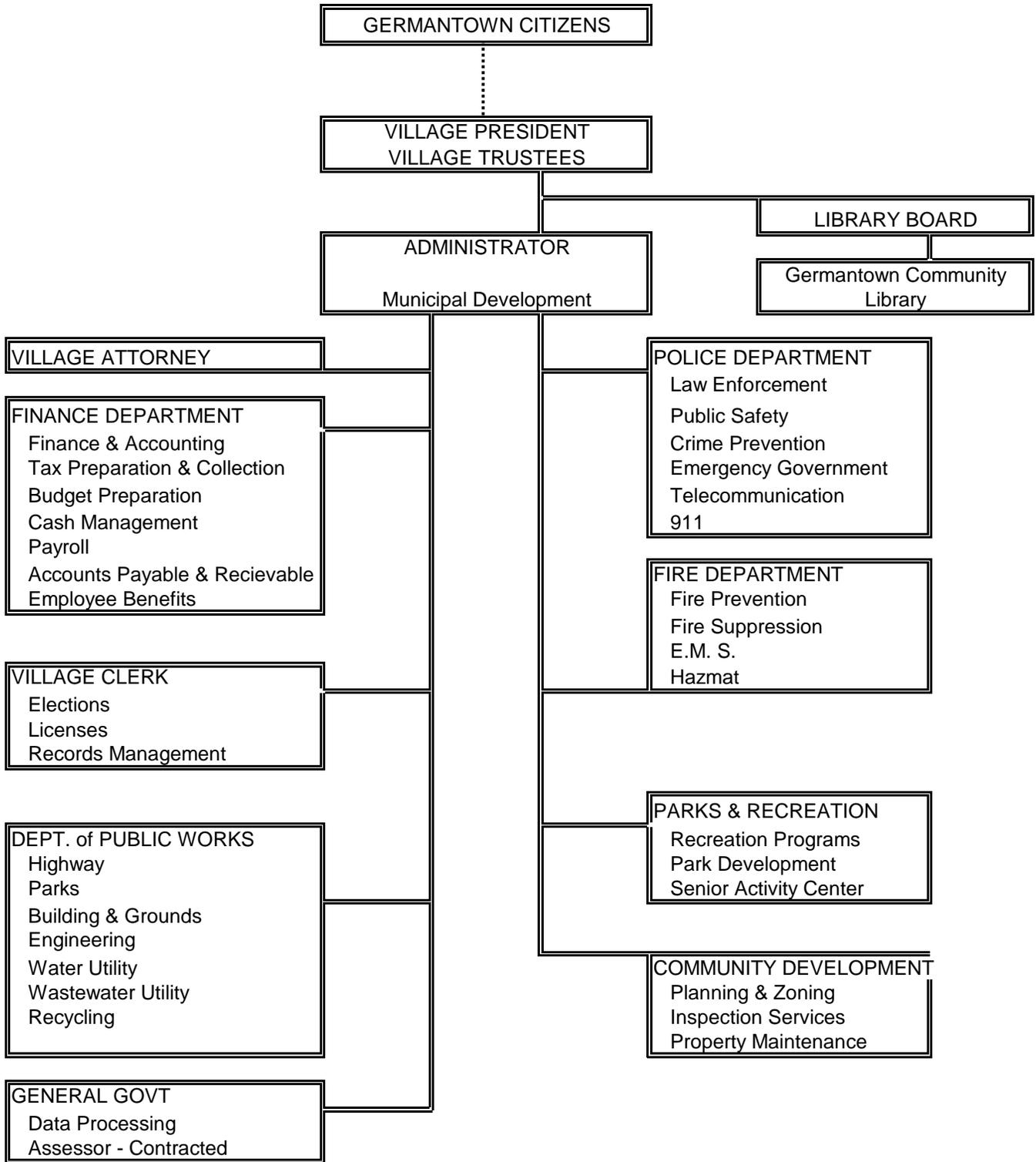
LIST OF PRINCIPAL OFFICIALS as of December 31, 2017
ELECTED OFFICIALS

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

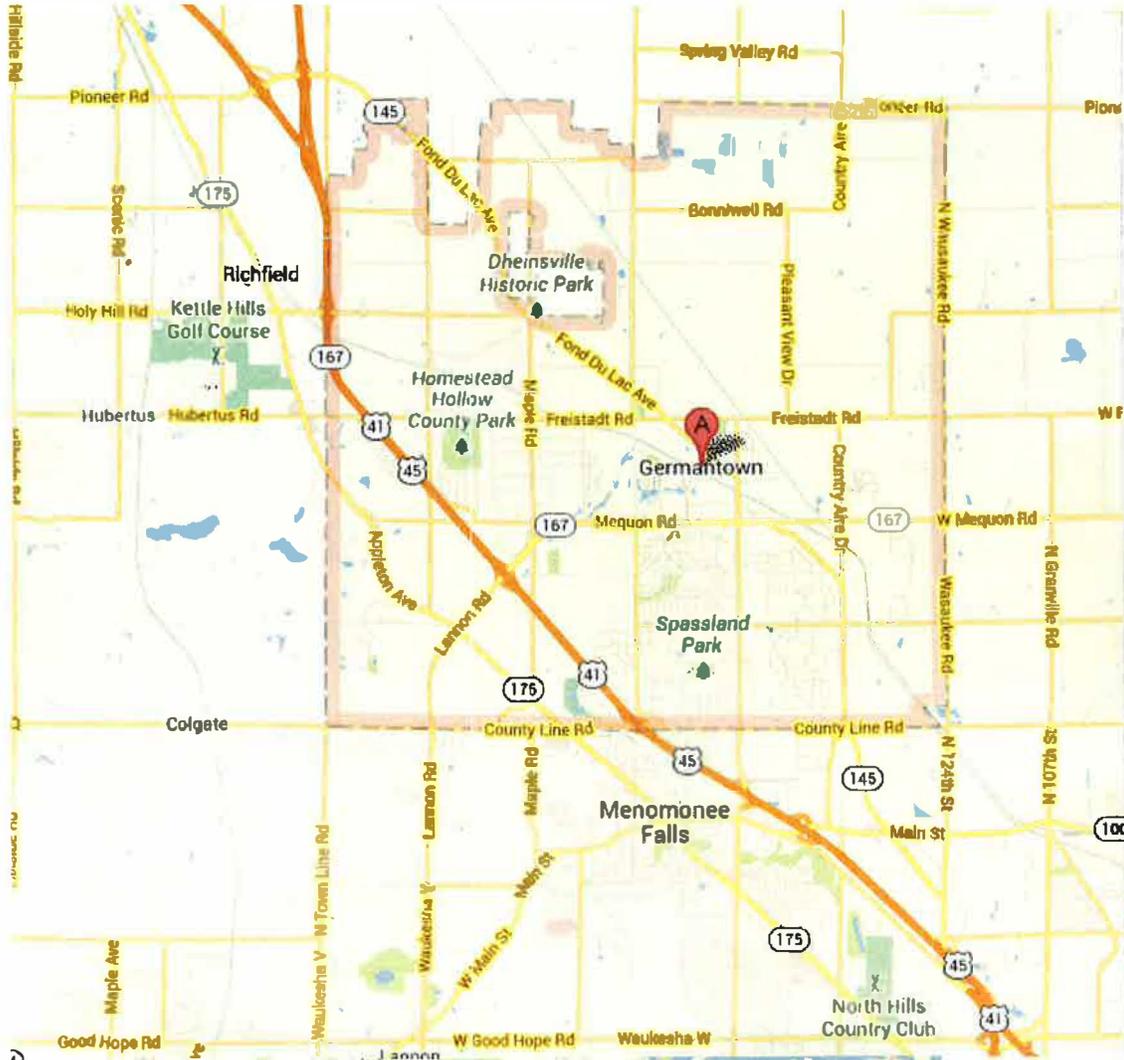
APPOINTED OFFICIALS

Village Administrator	Steven R. Kreklow
Village Attorney	Brian Sajdak; Wesolowski, Reidenbach & Sajdak SC
Village Assessor - Contract Service	Associated Appraisal Consultants, Inc
Village Clerk	Deanna L. Boldrey
Finance Director/Treasurer	Kim E. Rath
Community Development/Planning & Inspection	Jeffrey W. Retzlaff
Director of Public Works	Lawrence Ratayczak
Village Engineer	John A. 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, 2016

Christopher P. Morill

Executive Director/CEO

Brief History of the Village of Germantown

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

The Village's current population is estimated to be 19,965. 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. Contemplated 2018 extensions of municipal water and sewer will open this section to more residential, commercial and industrial development.

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.

On March 11, 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 residents.

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

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

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Germantown
Germantown, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of and for the year ended December 31, 2017, 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.

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, 2017 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 21, 2018

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2017 (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, 2017. 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: Includes most of the Village's basic services, such as police, fire, street maintenance, parks, library, and general administration. These services are supported primarily by property taxes, state revenues, and other miscellaneous revenues (inspection fees, fines, and permits)

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

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

The analysis of the Village's major funds provides detailed information about the most significant funds. Some funds are required to be established by state law and bond covenants. However, the Village establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like donations). The Village's three kinds of funds, governmental funds, proprietary funds, and fiduciary funds 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 available to finance the Village's programs in the future. Reconciliations between the government-wide statements and the governmental fund statements are provided with the fund financial statements.

The Village maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects and Tax Increment District No. 4 Capital Projects, which are considered to be major funds. Data from the remaining funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements later in this report.

The basic governmental fund financial statements can be found on pages 4 – 9 of this report.

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.

The basic proprietary fund financial statements can be found on pages 10 – 14 of this report.

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, the Tax Collection Fund, which records the tax roll and tax collections for the taxing jurisdictions within the Village. It records the 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 approximately \$140 million as of December 31, 2017. The largest portion of the Village's net position (87%) 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.

Another 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 increased \$3.8 million over 2016, \$1 million in Governmental Activities and \$2.8 million in Business-type Activities.

VILLAGE OF GERMANTOWN
Condensed Statement of Net Position (in millions of dollars)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2016	2017	2016	2017	2016	2017
Assets:						
Capital Assets	76.60	76.19	62.51	64.10	139.11	140.29
Other Assets	28.98	29.3	10.62	11.48	39.60	40.78
Total Assets	105.58	105.49	73.13	75.58	178.71	181.07
Deferred outflows of resources:	5.02	3.45	0.54	0.37	5.56	3.82
Liabilities						
Long-term liabilities	27.37	25.85	1.41	1.25	28.78	27.10
other liabilities	2.57	1.58	1.04	0.71	3.61	2.29
Total Liabilities	29.94	27.43	2.45	1.96	32.39	29.39
Deferred inflows of resources:	15.45	15.29	0.21	0.15	15.66	15.44
Net Positon:						
Net investment in capital assets	60.80	61.32	61.30	62.99	122.10	122.53
Restricted	3.58	3.77	0.65	0.74	4.23	4.51
Unrestricted	0.83	1.14	9.06	10.11	9.89	13.03
Total net position	65.21	66.23	71.01	73.84	136.22	140.07

Changes in Net Position

During 2017, the net position of governmental activities increased by \$1 million to \$66.23 million. Restricted assets include \$3.19 million for three Tax Incremental Financing Districts or TIDs (TID # 4, TID #6 and TID #7), which is a small decrease from the prior year of \$3.23 million, and \$0.581 million for Impact Fees and library operations. The unrestricted net position of governmental activities amounted to \$1.14 million, which is an increase of \$309 thousand over 2016. This remaining balance of unrestricted net position may be used to meet the Village's ongoing obligations.

Deferred outflows of resources decreased \$1,566,757; a majority of the change is related to pensions. It represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources until a future time.

Net position of business-type activities totaled \$73.8 million as of December 31, 2017, \$2.83 million higher than 2016. Net investment in capital assets increased by \$1.7 million. Restricted uses; impact fees, debt service, and equipment replacement increased slightly by \$98,009, while the unrestricted portion increased by \$1.04 million and will be used to finance continuing operations and capital projects of the utilities.

Total net position of Governmental and Business-type activities of \$140 million was an increase of \$3.85 million over 2016. 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 increased by \$663,387 over 2016 for a total of \$5,153,070. The majority of the increase was in *charges for services*; Public Safety and Public Works. The Business-type activities *charges for services* and *capital grants and contributions* increased slightly (\$114,345) for a total of \$11,669,552. The Business-type Activities increase in Capital Grants and Contributions is due to water and sewer main additions in our TIF districts and developer projects. There was an increase in investment income and intergovernmental revenues as well, \$54,390.

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 \$410,302, mostly due to an increase in levied taxes for general purposes, debt service and two TID districts, # 4 & 6, TID #7, being created December 2017 didn't have a budget or levy for 2017.

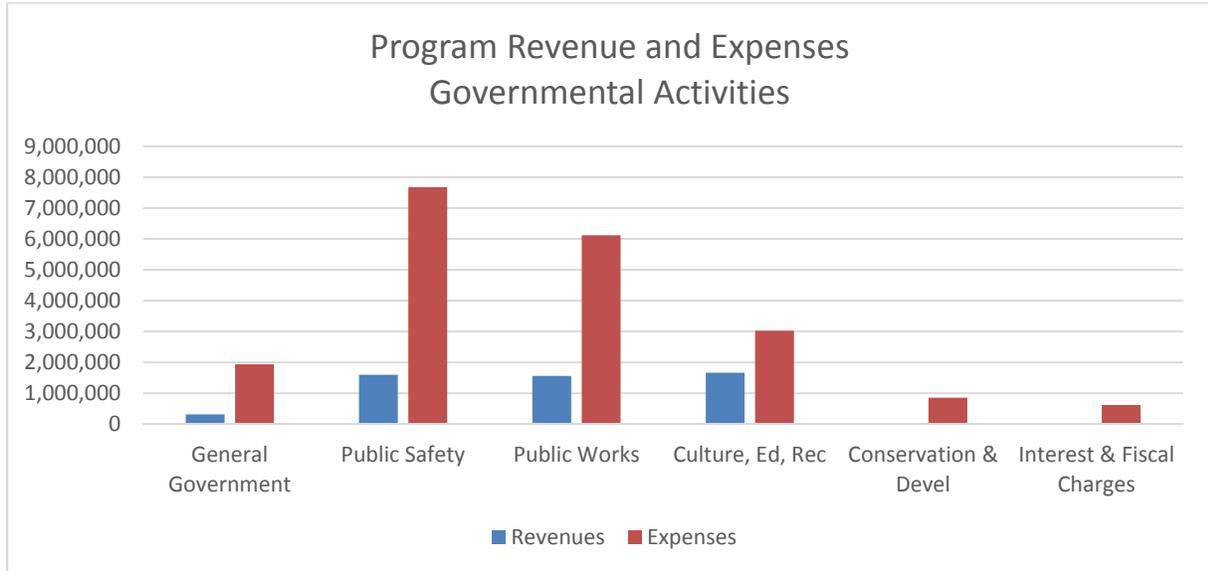
Expenses

Total Expenses of \$28.6 million is \$2.79 million less than 2016. The majority of the reductions were seen in *Governmental Activities, Public Works function* with the completion of most of the construction and development in TID No. 6. Business-type Activities expenses were relatively stable with a small increase of \$122,519.

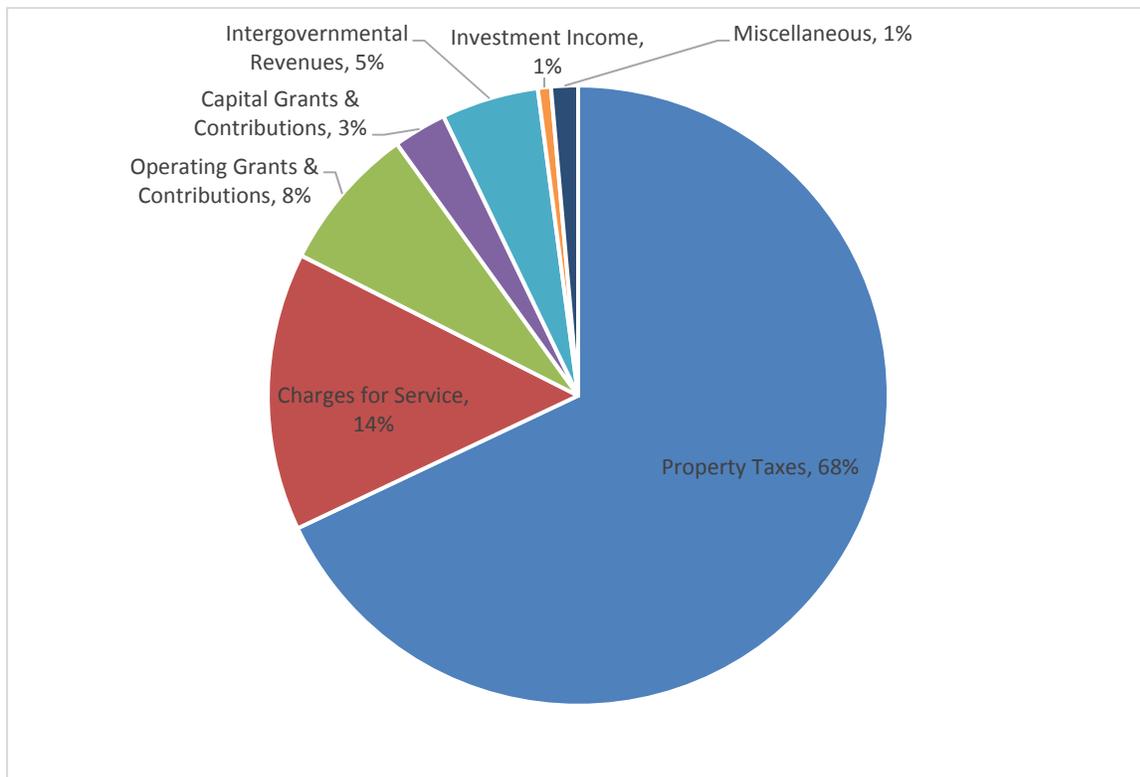
VILLAGE OF GERMANTOWN

Changes in Net Position (in millions of dollars)						
	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program Revenues						
Charges for services	2.55	3.00	9.27	9.05	11.82	12.05
Operating grants and contributions	1.46	1.58	-	-	1.46	1.58
Capital grants and contributions	0.48	0.58	2.29	2.62	2.77	3.20
General Revenues:						
Property Taxes	13.66	14.07	-	-	13.66	14.07
Intergovernmental revenues	1.03	1.05	-	-	1.03	1.05
Investment income	0.12	0.14	0.05	0.07	0.17	0.21
Other	0.35	0.29	-	0.04	0.35	0.33
Total revenues	19.65	20.70	11.61	11.78	31.26	32.48
Expenses:						
General government	1.92	1.94	-	-	1.92	1.94
Public safety	7.48	7.68	-	-	7.48	7.68
Public works	7.67	6.12	-	-	7.67	6.12
Culture and recreation	2.85	3.03	-	-	2.85	3.03
Conservation and development	2.53	0.86	-	-	2.53	0.86
Interest and fiscal charges	0.69	0.62	-	-	0.69	0.62
Water Utility	-	-	1.97	2.04	1.97	2.04
Sewer Utility	-	-	6.31	6.36	6.31	6.36
Total expenses	23.14	20.23	8.28	8.40	31.42	28.63
Increase (decrease) in net position	(3.49)	0.47	3.33	3.38	(0.16)	3.85
Transfers	0.51	0.55	(0.51)	(0.55)	-	-
Change in net position	(2.98)	1.02	2.82	2.83	(0.16)	3.85
Net position, beginning of year	68.19	65.21	68.18	71.01	136.37	136.22
Net Position, end of year	65.21	66.23	71.01	73.84	136.22	140.07

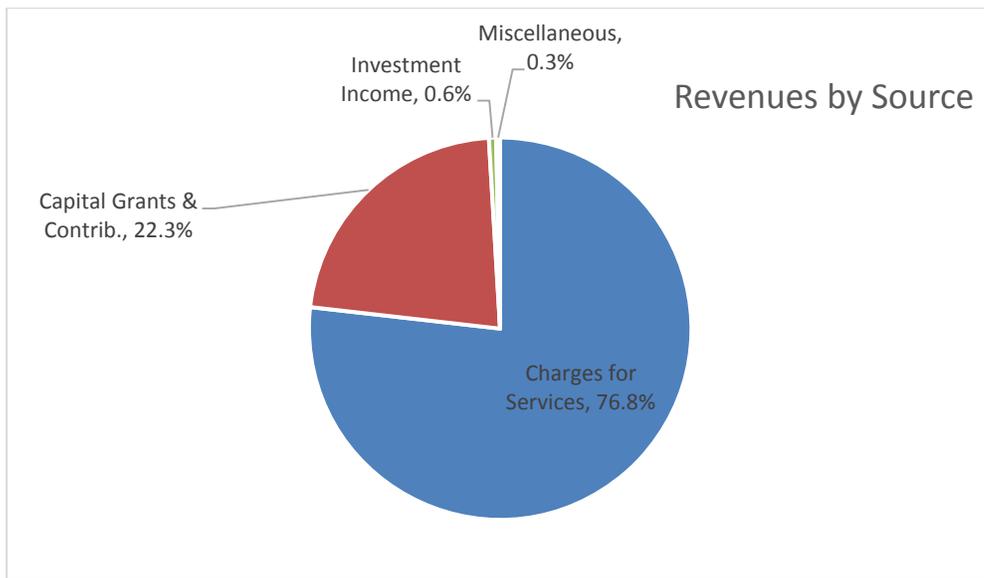
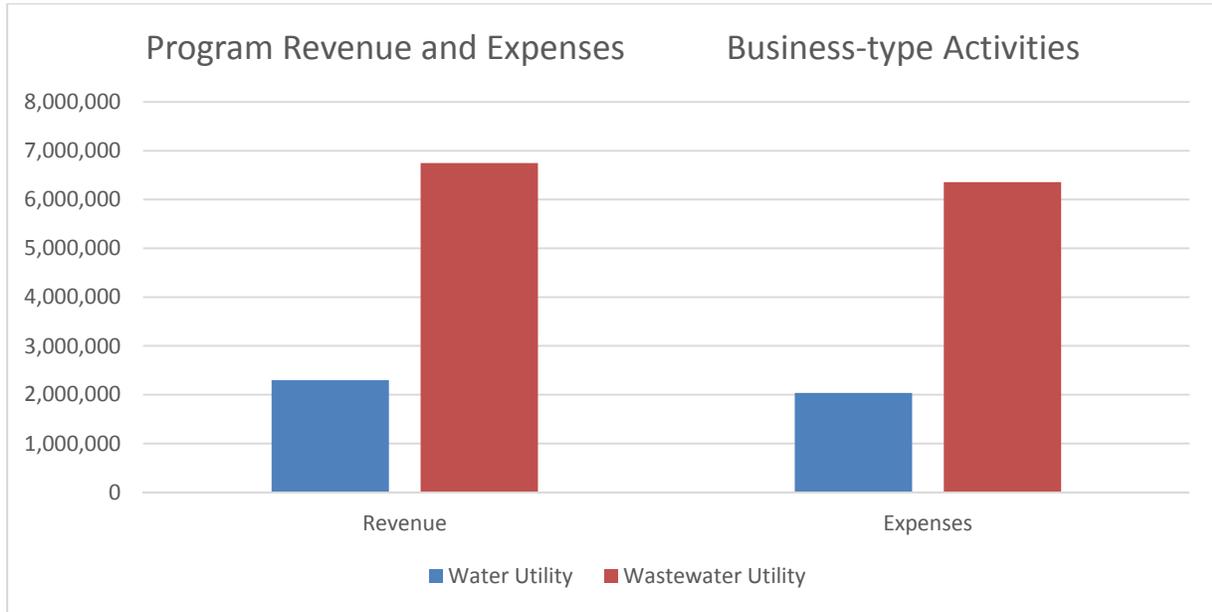
Governmental Funds



Program and General Revenues by source



Business-Type Activities – Enterprise Funds



Water Utility

The Water Utility reported net operating income of \$298,650, down over last year by \$137,656, but still a positive end after our high water use customer has been transitioning away from municipal water as a major source now that their private well has been repaired. Sale of water was down \$71,576. Expenses were relatively the same as 2016 although there was an uptick in depreciation. Capital contributions weren't as high as 2016 due to TID's No. 4 & 6 completing their extensions, but still a healthy addition of \$735,416. Capital contributions can vary widely from year-to-year since they are dependent on the completion of developer and village projects. Village projects included watermain upgrades on Park Avenue, Windsor Rd. and Castle court. Capital equipment purchases consisted of meters, quad-axle dump truck for main break repairs, and a vehicle replacement. Developer contributions were for the construction of one building in Saxony Village, a multi-housing complex, Prairie Glen II, a private subdivision, and Fairway Knoll, a senior housing and memory care development. The ending net position of the Water Utility is \$30.878 million, an increase of nearly \$500,000.

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 per residential equivalency, charged for new construction. \$144,652 was collected in 2017, due to our single and multi-family home increases. The impact fees are used to pay for the debt service on the 2009 Safe Drinking Water Loan used for construction of Well #11. 3,554 feet of new water main, and 3,472 feet of replacement main was added in 2017 plus 14 new fire hydrants, of which six were replacements.

Water Utility Activity Summary			
(in millions of dollars)			
	2017	2016	Change
Operating Revenues	\$ 2.299	\$ 2.390	\$ (0.091)
Operating expenses	2.000	1.954	0.046
Operating Income	0.299	0.436	(0.137)
Non-operating revenues/expenses	0.017	(0.018)	0.035
Capital Contributions	0.735	1.254	(0.519)
Transfers out - tax equivalent	(0.552)	(0.513)	(0.039)
Increase in net position	0.499	1.159	(0.523)
Net Position beginning of the year,	30.379	29.220	1.159
Net position , end of the year	\$ 30.878	\$ 30.379	\$ 0.499

Wastewater Utility (Sewer)

The Wastewater Utility reported a net operating increase of \$388,599 for 2017. Its overall net position increased by \$2.33 million for an end of year net position of \$42.750 million. Charges for services was down by \$121,653 compared to 2016 while operating expenses were relatively the same at \$6.36 million. Capital contributions were quite significant at \$1.89 million of which \$894,062 was for sewer connection fees and \$603,991 for capital contribution of sewer main at Park Avenue, and Main Street and developer contribution at Saxony Village, Prairie Glen and Fairway Knoll. The utility also received a cash contribution from Gehl Foods in the amount of \$388,600 to defray costs of the utility in the design and construction of sewer line that allowed the facility to expand its production by increasing sufficient capacity to discharge. The sewer connection fee is a charge for new connections to our system, these fees help cover ongoing maintenance and other improvements to the system. Overall 8,101 feet of sewer main was added to the system.

The Village contracts with Milwaukee Metropolitan Sewerage District for its sewage treatment, the charges from MMSD for treatment and its annual capital charge remain the utility's largest expense accounting for 82.65 % of the operations and maintenance expense. In 2017, the Village paid \$1.5 million for user charges and \$3.2 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)			
	2017	2016	Change
Charges for services	\$ 6.749	\$ 6.872	\$ (0.123)
Operating expenses	6.360	6.337	\$ 0.023
Operating Income (loss)	0.389	0.535	(0.146)
Non-operating income(expenses)	0.052	0.030	0.022
Capital Contributions	1.887	1.034	0.853
Increase in net position	2.3280	1.599	0.729
Net Position beginning of the year, as restated	40.423	38.824	1.599
Net position , end of the year	\$ 42.751	\$ 40.423	\$ 2.328

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, 2017, Village governmental funds reported a combined fund balance of \$12.6 million, \$1.2 million more than last year's total of \$11.4 million. \$15,094 is nonspendable related to prepaid accounts for postage and GIS multi-year hosting services, \$5.1 million restricted for Debt Service and Capital Projects in the General Capital Projects, TID.No.4, TID No. 6 & TID No. 7, plus Impact fees and Library Board Accounts to pay for equipment and projects. Committed funds of \$240,085 are for other Special Revenue Funds; Senior Van replacement, Police Canine, Honor Guard and Asset Forfeiture accounts, Historic Preservation and Recreation Facility Funds and will be used as its purpose allows.

Assigned funds of \$962,175 in the General fund covers 2018 budget carryovers of \$272,881, Water Utility Payment in Lieu of Taxes (PILOT) of \$551,794, and \$137,500 applied to a subsequent budget expense that will offset 2019 Assessor Revaluation costs. Assigned funds in the General Capital Projects funds of \$1,103,233 will be used for future capital outlay.

The majority of the unassigned funds in the Governmental Funds is in the General Fund account and can be used as the Village Board directs; \$5,175,649 or 33% of 2018's expense budget; \$(21,313) is attributed to costs spent during the creation process for TID No. 7 that will be covered in 2018 with a debt issuance.

General Fund

The General Fund's net change in fund balance was a positive \$835,520, with an ending fund balance of \$6.153 million. After adjusting for non-spendable and assigned portions for the general fund the unassigned fund balance at year-end was \$5.18 million, 33% of the Village's subsequent year general fund expenditure budget. The ending balance in 2016 was 28.87%. 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 Village will use \$272,881 for 2018 carry over projects and \$137,500 to offset part of the cost of the Village wide revaluation slated for 2019.

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 79.7% of total revenues, even though taxes increased for the year by \$163,306 the overall percentage decreased slightly; 1.7%. All revenue sources saw an increase, especially regulations and compliance, which showed an increase of \$268,161, due in part to permit fees for projects not anticipated during the budget preparation, such as Saxony Village, Fairway Knoll Senior Housing & Care, plus the impact of the \$84 million Germantown School District referendum for additions and repair to the local schools. Due to success of our Recreation Department programming fees came in \$53,687 higher than projected. Fees charged for ambulance transport also increased due to higher call volume and a higher level of service. Total revenues were higher than budget by \$511,392.

General Fund expenditures for 2017 were lower than budget by \$0.8 million. One of the factors causing this was a high turnover rate of employee's due to retirements and changeover of personnel, such as the retirement of the Village Administrator, vacancies in the Clerk's office and Engineering Department were unfilled for several months, and personnel changes in the Police Department and Public Work's Department had its new employee's start at a lower tier than the retired or terminating position. Balances in the Fire Department will be used for additional staff in 2018, while the \$67,137 balance in our planning and zoning department will be used for the design of an updated Comprehensive Land Use Plan.

Debt Service Fund

Debt Service Fund has a total fund balance of \$138,303, all of which is restricted for the payment of debt service. The fund balance increased by \$45,234. Annual debt service requirements were met primarily by property taxes levied of \$2.46 million and other governmental transfers of \$2 million. Expenditures for principal and interest and fiscal charges totaled \$4,450,302.

General Capital Projects

The General Capital Projects Fund balance of \$2.29 million increased by \$117,167, it 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. A \$2,805,000 G.O. Promissory Note was issued in March to finance public safety equipment, storm water improvements, road improvements and equipment and playground replacement. The sale resulted in the overall size of the issue being downsized by \$30,000 due to issuance costs coming in less than anticipated and a premium bid of \$43,399, with a true interest cost of 1.9868%. A 2007 \$520,000 G.O. Street improvement Bond was called on April 13, 2017, paying the 2017 through 2026 maturities with funds on hand. This was made possible by an early payoff of a streets special assessment for Blackstone Creek, due to the buildup and sales of residential housing faster than anticipated. The interest savings was \$74,354. The village's current Moody's Investor's service rating is Aa2.

TID #4 Capital Projects Fund

Tax Incremental District No. 4 Capital Projects fund is for the Germantown Business Park. The park is in a positive position and is expected to close in 2019, two years earlier than legally required. Tax Abatements, which began in 2013, pushed several development projects toward full build out of the park. Incentive payments made in 2017 totaled \$187,123. Fund balance at the end of 2017 was \$3.1 million with pending debt service due of \$4,126,226. Total revenues, which includes tax increment, intergovernmental payments and interest was \$1.9 million. The Net Change to TID No. 4 fund balance was \$243,983.

Non-major Governmental Funds

Tax Incremental District No.6, Willow Creek Business Park, was a Major Fund in 2016. With the completion of most of the infrastructure and depletion of the bond proceeds in 2016 it was reclassified as a Nonmajor fund in 2017. Created in 2014 the mixed-use business park is suitable for industrial and commercial purposes. The estimated saleable property consists of fifty-two acres. The Project Plan consisted 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. Discount Ramps began construction of a 150,000 square foot corporate headquarters and distribution center facility. Fund balance at the end of 2017 was \$104,986. Remaining projects would be water and sewer service connections for other development. An interfund loan from other village accounts or a re-direction of funds from escrowed accounts held by MLG commercial will be needed to temporarily cover those costs plus principal and interest payments until tax increment commences.

In December 2017, the Village created Tax Incremental District No. 7. (TID #7) An industrial TID that encompasses 144.2 acres of land which is owned by the J.W. Speaker Corporation. One section of the district includes the original J.W. Speaker facility and the other area of vacant land to be developed by J.W. Speaker. The project plan also includes the extension of municipal water and sewer main from Freistadt Road North along Goldendale Road approximately 2,400 feet where it meets the Wisconsin & Southern Rail line. This extension will facilitate municipal service to the development anticipated by the Speaker Corporation and future private development. Speaker will construct internal roadway, water and sewer main, and landscaping for their future building projects, the District will reimburse a portion of that cost up to \$708,000. The village will initiate a sale of a G.O. Obligation Community Development Bond in 2018. A 2017 budget was not completed for TIF No.7 since it was created late in the year. Fund balance at the end of 2017 was \$(21,313) due to creation and planning costs earlier in the year.

The Village has eleven Special Revenue funds which are specifically earmarked for a single purpose and are either restricted or committed. Four of these are Impact Fees; Police, Fire, Parks & Recreation, and Library. Impact fees are imposed on new construction to fund all or a portion of the costs of providing public services to the new development. The Impact Fee Funds saw significant revenue growth due to the residential and commercial activity in 2017. The net change in fund balance for the Impact Fees was \$227,161, ending the year at a combined fund balance of \$465,271, a 95% increase. The other Special Revenue Funds are the Senior Van Replacement Fund, Police Asset Forfeiture Fund, Police Canine Fund, Police Honor Guard Fund, Historic Preservation Fund, Recreation Department Facility Fees Fund and the Library Board Accounts.

Proprietary Funds

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

The Health and Dental Protection Funds are Self-Funded employee insurance plans with a Third-Party Administrators. The funds maintained positive cash flow ending the year with a net position of \$1.534 million. This is an increase to the cash and cash equivalent balance of \$205,665, with an end of year cash balance of \$1,680,735, to be used for future expenditures. 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 an agent 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 84.

CAPITAL ASSETS AND DEBT

Capital Assets

As of December 31, 2017, the Village had \$140 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)

Significant Additions to Capital Assets in 2017

- Roads \$ 1,328,495
- Machinery & Equipment \$ 741,648
- Water & Sewer System \$ 2,884,534

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2017	2016	2017	2016
Construction in progress	\$ 0.0	\$ 0.1	0.1	0.1
Land	13.6	13.6	0.2	0.2
Buildings and improvements	8.5	8.5	3.1	3.3
Machinery and equipment	5.1	4.9	2.9	3.0
Infrastructure	<u>49.0</u>	<u>49.5</u>	<u>57.8</u>	<u>56.0</u>
Total Capital Assets	<u>\$ 76.2</u>	<u>\$ 76.6</u>	<u>64.1</u>	<u>62.6</u>

The Village's 2017 capital budgets anticipated a spending level of \$4.9 million for capital projects. The Village borrowed \$2.8 million to fund these expenditures and designated \$1.9 million from the water and sewer utilities. Cash on hand in other funds was also earmarked to make up the balance of the budget plus a cash contribution from a local business toward sewer system upgrades.

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, 2017, the outstanding debt for long-term general obligations, revenue bonds and safe drinking water loans totaled \$25.2 million. Principal paid on outstanding debt totaled \$3.95 million.

Village of Germantown's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation debt	\$ 24,080,000	\$ 25,130,000	\$ -	\$ -
Revenue Bonds	-	-	1,114,042	1,211,390
Totals	<u>\$ 24,080,000</u>	<u>\$ 25,130,000</u>	<u>\$1,114,042</u>	<u>\$1,211,390</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of all taxable property within the Village's jurisdiction. The debt limit as of December 31, 2017 was \$128,873,995. Total General Obligation debt outstanding was \$24,080,000 or 18.7% of the limit. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

Long-term Debt Issued 2017

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
03/29/17	General Obligation Promissory Note	\$ 2,805,000
Uses	Public Safety Equipment & Building	578,125
	Storm Water/ Flooding Mitigation	350,000
	Roadway Design & Improvements	1,540,000
	Highway Trucks & Equipment	200,000
	Recreation	95,000
	Issuance Costs	41,875

Additional information about the Village's long-term obligations can be found in Note III.F, beginning on page 40 of this report.

Economic Factors and Next Year's Budgets and Rates

- > On March 5, 2018, the Village issued a \$2,795,000 General Obligation Promissory Note – Series 2018A with proceeds to be used for capital projects. The notes have a ten-year term with a true interest cost of 2.4855%.
- > On June 6, 2018, the Village issued a \$2,480,000 General Obligation Community Development bond, Series 2018B to be used for development in Tax Increment District No. 7. The bond will mature in 2033, with a true interest cost of 3.0764%.

- > Moody's Investors Service has maintained its rating of the Village at Aa2.
 - > Staff additions for 2018 included two full-time Fire Fighter/EMT positions and one full -time Water Operator position.
 - > The unemployment rate as of December 31, 2017, for Washington County, which includes the village, was 2.2%. This compares with an unemployment rate of 2.7% for the State of Wisconsin and a national unemployment rate of 4.4%.
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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, 2017

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 13,622,913	\$ 8,761,712	\$ 22,384,625
Receivables (net)			
Taxes	14,010,751	-	14,010,751
Accounts receivable	569,485	2,509,669	3,079,154
Special assessments receivable	18,741	10,942	29,683
Accrued interest	23,276	20,796	44,072
Internal balances	569,196	(569,196)	-
Prepaid items	15,094	-	15,094
Restricted Assets			
Cash and investments	464,249	747,414	1,211,663
Accrued interest	1,022	801	1,823
Capital Assets			
Land	13,577,807	175,599	13,753,406
Construction in progress	44,188	107,144	151,332
Capital assets, net of depreciation	<u>62,571,919</u>	<u>63,820,452</u>	<u>126,392,371</u>
Total Assets	<u>105,488,641</u>	<u>75,585,333</u>	<u>181,073,974</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	125,945	-	125,945
Deferred outflows - pensions	<u>3,328,999</u>	<u>372,805</u>	<u>3,701,804</u>
Total Deferred Outflows of Resources	<u>3,454,944</u>	<u>372,805</u>	<u>3,827,749</u>
LIABILITIES			
Accounts payable and accrued expenses	1,366,228	707,353	2,073,581
Accrued interest payable	211,416	4,442	215,858
Noncurrent Liabilities			
Due within one year	3,956,342	100,201	4,056,543
Due in more than one year	<u>21,892,108</u>	<u>1,153,530</u>	<u>23,045,638</u>
Total Liabilities	<u>27,426,094</u>	<u>1,965,526</u>	<u>29,391,620</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues	13,932,624	-	13,932,624
Deferred inflows - pensions	<u>1,353,961</u>	<u>153,415</u>	<u>1,507,376</u>
Total Deferred Inflows of Resources	<u>15,286,585</u>	<u>153,415</u>	<u>15,440,000</u>
NET POSITION			
Net investment in capital assets	61,320,322	62,989,153	122,530,058
Restricted for			
Impact fees	465,271	258,408	723,679
Library	115,892	-	115,892
Debt service	-	168,888	168,888
Equipment replacement	-	316,477	316,477
TIF purposes	3,188,461	-	3,188,461
Unrestricted	<u>1,140,960</u>	<u>10,106,271</u>	<u>13,026,648</u>
TOTAL NET POSITION	<u>\$ 66,230,906</u>	<u>\$ 73,839,197</u>	<u>\$ 140,070,103</u>

See accompanying notes to financial statements.

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VILLAGE OF GERMANTOWN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,938,952	\$ 311,761	\$ -	\$ -
Public safety	7,676,429	1,275,353	216,977	104,224
Public works	6,116,561	252,721	1,021,069	286,251
Culture, education and recreation	3,026,746	1,142,084	338,445	185,614
Conservation and development	857,765	18,571	-	-
Interest and fiscal charges	616,440	-	-	-
Total Governmental Activities	20,232,893	3,000,490	1,576,491	576,089
Business-type Activities				
Water	2,038,214	2,298,602	-	735,416
Sewer	6,357,603	6,748,881	-	1,886,653
Total Business-type Activities	8,395,817	9,047,483	-	2,622,069
Totals	\$ 28,628,710	\$ 12,047,973	\$ 1,576,491	\$ 3,198,158

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, tax increment

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,627,191)	\$ -	\$ (1,627,191)
(6,079,875)	-	(6,079,875)
(4,556,520)	-	(4,556,520)
(1,360,603)	-	(1,360,603)
(839,194)	-	(839,194)
<u>(616,440)</u>	<u>-</u>	<u>(616,440)</u>
<u>(15,079,823)</u>	<u>-</u>	<u>(15,079,823)</u>
-	995,804	995,804
<u>-</u>	<u>2,277,931</u>	<u>2,277,931</u>
<u>-</u>	<u>3,273,735</u>	<u>3,273,735</u>
<u>(15,079,823)</u>	<u>3,273,735</u>	<u>(11,806,088)</u>
9,420,153	-	9,420,153
2,458,128	-	2,458,128
1,738,887	-	1,738,887
451,639	-	451,639
1,048,796	-	1,048,796
140,275	72,534	212,809
<u>289,740</u>	<u>38,333</u>	<u>328,073</u>
<u>15,547,618</u>	<u>110,867</u>	<u>15,658,485</u>
<u>551,794</u>	<u>(551,794)</u>	<u>-</u>
1,019,589	2,832,808	3,852,397
<u>65,211,317</u>	<u>71,006,389</u>	<u>136,217,706</u>
<u>\$ 66,230,906</u>	<u>\$ 73,839,197</u>	<u>\$ 140,070,103</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
ASSETS				
Cash and investments	\$ 4,420,101	\$ 138,303	\$ 3,732,032	\$ 3,079,253
Receivables				
Taxes	9,510,238	2,706,950	-	1,725,633
Special assessments	18,741	-	-	-
Accounts	568,183	-	-	-
Delinquent taxes	64,428	-	-	-
Accrued interest	8,699	-	2,971	8,072
Due from other funds	2,117,576	-	-	-
Prepaid items	15,094	-	-	-
Restricted Assets				
Cash and investments	-	-	-	-
Accrued interest	-	-	-	-
	\$ 16,723,060	\$ 2,845,253	\$ 3,735,003	\$ 4,812,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 398,764	\$ -	\$ 222,020	\$ 1,794
Accrued liabilities	555,771	-	-	-
Due to other governments	477	-	-	-
Due to other funds	20,587	-	1,218,653	2,056
Total Liabilities	975,599	-	1,440,673	3,850
Deferred Inflows of Resources				
Unearned revenue	9,496,539	2,706,950	-	1,725,633
Unavailable revenues	98,004	-	-	-
Total Deferred Inflows of Resources	9,594,543	2,706,950	-	1,725,633
Fund Balances				
Nonspendable	15,094	-	-	-
Restricted	-	138,303	1,191,097	3,083,475
Committed	-	-	-	-
Assigned	962,175	-	1,103,233	-
Unassigned (deficit)	5,175,649	-	-	-
Total Fund Balances	6,152,918	138,303	2,294,330	3,083,475
	\$ 16,723,060	\$ 2,845,253	\$ 3,735,003	\$ 4,812,958

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 572,489	\$ 11,942,178
3,502	13,946,323
-	18,741
-	568,183
-	64,428
658	20,400
-	2,117,576
-	15,094
464,249	464,249
<u>1,022</u>	<u>1,022</u>
<u>\$ 1,041,920</u>	<u>\$ 29,158,194</u>

\$ 36,168	\$ 658,746
400	556,171
-	477
<u>96,929</u>	<u>1,338,225</u>
<u>133,497</u>	<u>2,553,619</u>

3,502	13,932,624
-	98,004
<u>3,502</u>	<u>14,030,628</u>

-	15,094
686,149	5,099,024
240,085	240,085
-	2,065,408
<u>(21,313)</u>	<u>5,154,336</u>
<u>904,921</u>	<u>12,573,947</u>

<u>\$ 1,041,920</u>	<u>\$ 29,158,194</u>
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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, 2017

Total Fund Balances - Governmental Funds	\$ 12,573,947
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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	44,188
Other capital assets, net of accumulated depreciation	62,571,919

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.	98,004
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(432,434)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,328,999
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,353,961)
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Internal service funds are reported in the statement of net position as governmental activities.	1,534,079
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Internal service fund internal receivable between governmental and business-type activities.	(210,155)
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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	(24,080,000)
Capital leases	(31,919)
Compensated absences	(753,049)
Accrued interest	(211,416)
Unamortized debt discount/premium	(551,048)
Unamortized loss on refunding	125,945

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 66,230,906</u>
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VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2017

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
REVENUES				
Taxes	\$ 9,849,666	\$ 2,458,128	\$ -	\$ 1,738,030
Special assessments	4,685	-	-	-
Intergovernmental	2,303,300	-	46,587	122,360
Regulation and compliance	1,106,195	-	-	-
Public charges for services	1,793,432	-	-	-
Investment income	63,636	1,835	31,306	24,369
Miscellaneous	<u>126,045</u>	<u>-</u>	<u>37,931</u>	<u>7,986</u>
Total Revenues	<u>15,246,959</u>	<u>2,459,963</u>	<u>115,824</u>	<u>1,892,745</u>
EXPENDITURES				
Current				
General government	1,569,231	-	-	-
Public safety	6,556,041	-	-	-
Public works	3,495,816	-	-	-
Culture and recreation	2,615,688	-	-	-
Conservation and development	208,277	-	-	187,123
Capital Outlay	501,937	-	2,454,184	9,739
Debt Service				
Principal	-	3,855,000	-	-
Interest and fiscal charges	-	595,302	-	-
Debt issuance costs	<u>-</u>	<u>-</u>	<u>54,801</u>	<u>-</u>
Total Expenditures	<u>14,946,990</u>	<u>4,450,302</u>	<u>2,508,985</u>	<u>196,862</u>
Excess (deficiency) of revenues over expenditures	<u>299,969</u>	<u>(1,990,339)</u>	<u>(2,393,161)</u>	<u>1,695,883</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation notes	-	-	2,805,000	-
Premium on long-term debt	-	-	54,900	-
Transfers in	551,794	2,035,573	37,388	-
Transfers out	<u>(16,243)</u>	<u>-</u>	<u>(386,960)</u>	<u>(1,451,900)</u>
Total Other Financing Sources (Uses)	<u>535,551</u>	<u>2,035,573</u>	<u>2,510,328</u>	<u>(1,451,900)</u>
Net Change in Fund Balances	835,520	45,234	117,167	243,983
FUND BALANCES - Beginning of Year	<u>5,317,398</u>	<u>93,069</u>	<u>2,177,163</u>	<u>2,839,492</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,152,918</u></u>	<u><u>\$ 138,303</u></u>	<u><u>\$ 2,294,330</u></u>	<u><u>\$ 3,083,475</u></u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 857	\$ 14,046,681
-	4,685
-	2,472,247
-	1,106,195
325,536	2,118,968
7,971	129,117
<u>134,501</u>	<u>306,463</u>
<u>468,865</u>	<u>20,184,356</u>
-	1,569,231
29,258	6,585,299
-	3,495,816
27,102	2,642,790
36,309	431,709
200,447	3,166,307
-	3,855,000
-	595,302
-	54,801
<u>293,116</u>	<u>22,396,255</u>
<u>175,749</u>	<u>(2,211,899)</u>
-	2,805,000
-	54,900
16,243	2,640,998
<u>(234,101)</u>	<u>(2,089,204)</u>
<u>(217,858)</u>	<u>3,411,694</u>
(42,109)	1,199,795
<u>947,030</u>	<u>11,374,152</u>
<u>\$ 904,921</u>	<u>\$ 12,573,947</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$	1,199,795
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,166,307
Some items reported as capital outlay were not capitalized		(694,303)
Depreciation is reported in the government-wide financial statements		(2,743,018)
Net book value of assets retired		(423,577)
Contributed capital assets are reported as revenues in the government-wide financial statements.		286,439
Net book value of TIF land held for resale that was sold.		(295,572)
<p>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.</p>		
Special assessments		(4,873)
Delinquent taxes		23,250
Miscellaneous recreation receivables		2,736
<p>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.</p>		
Debt issued		(2,805,000)
Principal repaid		3,855,000
Capital lease repaid		34,014
<p>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.</p>		
Premium on debt issued		(54,900)
Amortization of debt discount/premium		58,880
Amortization of loss on refunding		(39,915)
<p>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.</p>		
Compensated absences		(1,239)
Accrued interest on debt		14,698
Net pension liability		438,254
Deferred outflows of resources related to pensions		(1,526,842)
Deferred inflows of resources related to pensions		478,388
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		51,067
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,019,589</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
ASSETS				
Current Assets				
Cash and investments	\$ 2,237,405	\$ 6,111,609	\$ 8,349,014	\$ 1,680,735
Accounts receivable	478,599	2,031,070	2,509,669	1,302
Accrued interest	5,721	15,075	20,796	2,876
Due from other funds	84,585	-	84,585	-
Restricted Assets				
Redemption account	32,740	-	32,740	-
Total Current Assets	2,839,050	8,157,754	10,996,804	1,684,913
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	50,590	-	50,590	-
Replacement account	-	316,477	316,477	-
Impact fee account	257,607	-	257,607	-
Accrued interest	801	-	801	-
Capital Assets				
Plant in service	41,227,799	49,607,364	90,835,163	-
Land	140,450	35,149	175,599	-
Construction in progress	107,144	-	107,144	-
Less: Accumulated depreciation	(12,062,504)	(14,952,207)	(27,014,711)	-
Other Assets				
Vehicle replacement account	-	412,698	412,698	-
Special assessments receivable	10,942	-	10,942	-
Total Noncurrent Assets	29,822,829	35,419,481	65,242,310	-
Total Assets	32,661,879	43,577,235	76,239,114	1,684,913
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	193,107	179,698	372,805	-
Total Deferred Outflows of Resources	193,107	179,698	372,805	-

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 154,175	\$ 531,436	\$ 685,611	\$ 150,834
Due to other funds	551,794	312,142	863,936	-
Accrued wages	11,390	10,352	21,742	-
Current portion of compensated absences	743	1,113	1,856	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	98,345	-	98,345	-
Accrued interest payable	4,442	-	4,442	-
Total Current Liabilities	<u>820,889</u>	<u>855,043</u>	<u>1,675,932</u>	<u>150,834</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,015,697	-	1,015,697	-
Other Liabilities				
Compensated absences	36,409	54,552	90,961	-
Net pension liability	24,562	22,310	46,872	-
Total Noncurrent Liabilities	<u>1,076,668</u>	<u>76,862</u>	<u>1,153,530</u>	<u>-</u>
Total Liabilities	<u>1,897,557</u>	<u>931,905</u>	<u>2,829,462</u>	<u>150,834</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	<u>79,211</u>	<u>74,204</u>	<u>153,415</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>79,211</u>	<u>74,204</u>	<u>153,415</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	28,298,847	34,690,306	62,989,153	-
Restricted for				
Impact fees	258,408	-	258,408	-
Debt service	168,888	-	168,888	-
Equipment replacement	-	316,477	316,477	-
Unrestricted	<u>2,152,075</u>	<u>7,744,041</u>	<u>9,896,116</u>	<u>1,534,079</u>
TOTAL NET POSITION	<u>\$ 30,878,218</u>	<u>\$ 42,750,824</u>	73,629,042	<u>\$ 1,534,079</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>210,155</u>	
NET POSITION BUSINESS-TYPE ACTIVITIES			<u>\$ 73,839,197</u>	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
OPERATING REVENUES				
Charges for services	\$ -	\$ 6,708,798	\$ 6,708,798	\$ -
Sale of water	2,243,893	-	2,243,893	-
Other	54,709	40,083	94,792	1,668,005
Total Operating Revenues	2,298,602	6,748,881	9,047,483	1,668,005
OPERATING EXPENSES				
Operation and maintenance	1,177,808	5,711,038	6,888,846	1,620,922
Depreciation	822,144	649,244	1,471,388	-
Total Operating Expenses	1,999,952	6,360,282	8,360,234	1,620,922
Operating Income	298,650	388,599	687,249	47,083
NONOPERATING REVENUES (EXPENSES)				
Investment income	23,632	48,902	72,534	10,034
Miscellaneous revenues	35,116	3,217	38,333	-
Interest expense	(41,633)	-	(41,633)	-
Total Nonoperating Revenues (Expenses)	17,115	52,119	69,234	10,034
Income Before Contributions and Transfers	315,765	440,718	756,483	57,117
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	735,416	1,886,653	2,622,069	-
Transfers out - tax equivalent	(551,794)	-	(551,794)	-
Total Contributions and Transfers	183,622	1,886,653	2,070,275	-
Change in Net Position	499,387	2,327,371	2,826,758	57,117
NET POSITION - Beginning of Year	30,378,831	40,423,453	70,802,284	1,476,962
NET POSITION- END OF YEAR	\$ 30,878,218	\$ 42,750,824	73,629,042	\$ 1,534,079
Change in Net Position of Proprietary Funds			2,826,758	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			6,050	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			\$ 2,832,808	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 1,847,641	\$ 6,651,944	\$ 8,499,585	\$ -
Received from other funds for services	537,429	-	537,429	1,676,158
Paid to suppliers for goods and services	(665,211)	(5,027,628)	(5,692,839)	(1,479,010)
Paid to employees for services	(449,514)	(426,719)	(876,233)	-
Net Cash Flows From Operating Activities	<u>1,270,345</u>	<u>1,197,597</u>	<u>2,467,942</u>	<u>197,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	22,403	44,004	66,407	8,517
Investments purchased	(589,298)	(871,578)	(1,460,876)	-
Investments sold and matured	508,995	470,883	979,878	-
Net Cash Flows From Investing Activities	<u>(57,900)</u>	<u>(356,691)</u>	<u>(414,591)</u>	<u>8,517</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(513,500)	-	(513,500)	-
Net Cash Flows From Noncapital Financing Activities	<u>(513,500)</u>	<u>-</u>	<u>(513,500)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,004,145)	(867,423)	(1,871,568)	-
Capital contributions received	144,652	894,062	1,038,714	-
Special assessments received	3,687	-	3,687	-
Debt retired	(97,348)	-	(97,348)	-
Interest paid	(42,004)	-	(42,004)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(995,158)</u>	<u>26,639</u>	<u>(968,519)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(296,213)	867,545	571,332	205,665
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,048,884</u>	<u>2,823,465</u>	<u>3,872,349</u>	<u>1,475,070</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 752,671</u>	<u>\$ 3,691,010</u>	<u>\$ 4,443,681</u>	<u>\$ 1,680,735</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 298,650	\$ 388,599	\$ 687,249	\$ 47,083
Nonoperating revenue	35,116	3,217	38,333	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	822,144	649,244	1,471,388	-
Depreciation charged to other funds	44,032	-	44,032	-
Changes in assets, deferred inflows/outflows of resources, and liabilities				
Accounts receivable	26,158	(104,427)	(78,269)	8,153
Due from other funds	(18,838)	4,273	(14,565)	-
Accounts payable	43,286	(31,596)	11,690	141,912
Due to other funds	(42)	252,343	252,301	-
Other current liabilities	(350)	709	359	-
Accrued sick leave	(13,303)	6,568	(6,735)	-
Pension related deferrals and liabilities	<u>33,492</u>	<u>28,667</u>	<u>62,159</u>	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,270,345</u>	<u>\$ 1,197,597</u>	<u>\$ 2,467,942</u>	<u>\$ 197,148</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	\$ 2,237,405	\$ 6,111,609	\$ 8,349,014	\$ 1,680,735
Restricted cash and investments	430,937	316,477	747,414	-
Vehicle replacement account	-	<u>412,698</u>	<u>412,698</u>	-
Total Cash and Investments	<u>2,668,342</u>	<u>6,840,784</u>	<u>9,509,126</u>	<u>1,680,735</u>
Less: Noncash equivalents	<u>(1,915,671)</u>	<u>(3,149,774)</u>	<u>(5,065,445)</u>	-
CASH AND CASH EQUIVALENTS	<u>\$ 752,671</u>	<u>\$ 3,691,010</u>	<u>\$ 4,443,681</u>	<u>\$ 1,680,735</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	<u>\$ 590,764</u>	<u>\$ 992,591</u>		

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2017

	<u>Agency Fund</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 21,041,340
Taxes receivable	<u>10,394,570</u>
TOTAL ASSETS	<u>\$ 31,435,910</u>
LIABILITIES	
Accounts payable	\$ 54,275
Due to other governments	<u>31,381,635</u>
TOTAL LIABILITIES	<u>\$ 31,435,910</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

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VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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.

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Fund Financial Statements (cont.)

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.

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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 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
Police Honor Guard Fund	

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

Tax Incremental District (TID) No. 6

Tax Incremental District (TID) No. 7

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

Tax Collection Fund

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

Fund Financial Statements (cont.)

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 - 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale - 2017 delinquent real estate taxes	October 2020

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. Prepaid items are recorded using the consumption method of accounting.

4. Restricted Assets

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, 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. All land was sold as of December 31, 2017.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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 \$119,992.

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, 2017, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$41,516,103, 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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	\$ 61,320,322	\$ 62,989,153	\$ (1,779,417)	\$ 122,530,058
Unrestricted	1,140,960	10,106,271	1,779,417	13,026,648

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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.)

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village 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 \$5,175,649, or 33%, and is included in unassigned general fund balance.

See Note III. H. for further information.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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. BUDGETARY INFORMATION

A budget has been adopted for the general fund, all special revenue funds, the debt service fund, and all capital project funds except as noted. A budget has not been formally adopted for Tax Incremental District (TID) No. 7 capital project fund because the joint review board's final approval to create the district occurred on January 2, 2018. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Debt Service Fund	\$ 4,145,624	\$ 4,450,302	\$ 304,678
TID No. 4 Capital Projects	1,640,220	1,648,762	8,542
TID No. 6 Capital Projects	333,804	400,156	66,352
Police Asset Forfeiture Fund	4,000	4,047	47
Police Canine Fund	4,000	16,233	12,233
Library Fund	-	1,670	1,670
Police Honor Guard	-	8,978	8,978

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.

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Wisconsin law limits the village's future tax levies. Generally the village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the village's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	\$ 21,821,764	\$ 22,049,986	Custodial Credit
U.S. agencies - explicitly guaranteed	681,019	681,019	Custodial Credit, Interest Rate
U.S. agencies - implicitly guaranteed	5,025,811	5,025,811	Custodial Credit, Interest Rate, Credit, Concentration of Credit
Municipal bonds	176,846	176,845	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	16,929,998	16,929,998	Credit
Petty cash	2,190	-	N/A
Total Deposits and Investments	<u>\$ 44,637,628</u>	<u>\$ 44,863,659</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 22,384,625		
Restricted cash and investments	1,211,663		
Per statement of assets and liabilities - agency fund			
Agency Fund	21,041,340		
Total Deposits and Investments	<u>\$ 44,637,628</u>		

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

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

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

The village maintains collateral agreements with its banks. At December 31, 2017, 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

Investment Type	December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. agencies - implicitly guaranteed	\$ -	\$ 5,025,811	\$ -	\$ 5,025,811
U.S. agencies - explicitly guaranteed	-	681,019	-	681,019
Municipal bonds	-	<u>176,846</u>	-	<u>176,846</u>
Total	<u>\$ -</u>	<u>\$ 5,883,676</u>	<u>\$ -</u>	<u>\$ 5,883,676</u>

Custodial Credit Risk

Deposits

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

As of December 31, 2017, \$292,895 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 292,895</u>
Total	<u>\$ 292,895</u>

Investments

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

There were no investments exposed to custodial credit risk at year-end.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2017, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCBS	U.S. agencies - implicitly guaranteed	8.18%
FHLB	U.S. agencies - implicitly guaranteed	6.28%

Interest Rate Risk

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

As of December 31, 2017, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 year	1-4 years	More than 4 years
U.S. agencies - explicitly guaranteed	\$ 681,019	\$ -	\$ 681,019	\$ -
U.S. agencies - implicitly guaranteed	5,025,811	-	2,341,788	2,684,023
Municipal Bonds	176,846	30,360	111,257	35,229
Totals	\$ 5,883,676	\$ 30,360	\$ 3,134,064	\$ 2,719,252

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 13,932,624	\$ -
Delinquent property taxes receivable	-	64,429
Special assessments not yet due	-	24,363
Parks and recreation	-	9,212
	<u> </u>	<u> </u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 13,932,624</u>	<u>\$ 98,004</u>

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

C. RESTRICTED ASSETS (cont.)

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, 2017:

	Restricted Assets
Governmental Activities	
Cash and investments	\$ 464,249
Accrued interest	1,022
Business-type Activities	
Sewer equipment replacement account	316,477
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	50,590
Water impact fees	257,607
Accrued interest	801
Total	\$ 1,213,486

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, 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	88,987	44,188	88,987	44,188
Total Capital Assets Not Being Depreciated	13,666,794	44,188	88,987	13,621,995
Capital assets being depreciated				
Buildings and improvements	16,091,278	461,456	75,486	16,477,248
Machinery and equipment	11,682,687	741,648	598,297	11,826,038
Roads	51,054,004	1,328,495	621,201	51,761,298
Storm sewers	21,155,790	140,042	-	21,295,832
Street lighting	3,113,917	-	-	3,113,917
Bridges	7,177,159	42,614	22,031	7,197,742
Total Capital Assets Being Depreciated	110,274,835	2,714,255	1,317,015	111,672,075
Total Capital Assets	123,941,629	2,758,443	1,406,002	125,294,070

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (7,570,890)	\$ (467,883)	\$ 75,486	\$ (7,963,287)
Machinery and equipment	(6,720,364)	(581,883)	534,316	(6,767,931)
Roads	(16,931,403)	(1,035,204)	357,984	(17,608,623)
Storm sewers	(11,046,451)	(424,515)	-	(11,470,966)
Street lighting	(2,163,418)	(91,172)	-	(2,254,590)
Bridges	<u>(2,907,037)</u>	<u>(142,361)</u>	<u>14,639</u>	<u>(3,034,759)</u>
Total Accumulated Depreciation	<u>(47,339,563)</u>	<u>(2,743,018)</u>	<u>982,425</u>	<u>(49,100,156)</u>
Net Capital Assets Being Depreciated	<u>62,935,272</u>	<u>(28,763)</u>	<u>334,590</u>	<u>62,571,919</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 76,602,066</u>	<u>\$ 15,425</u>	<u>\$ 423,577</u>	<u>\$ 76,193,914</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 90,643
Public safety	524,586
Public works, which includes the depreciation of infrastructure	1,910,323
Leisure activities	<u>217,466</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,743,018</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 175,599	\$ -	\$ -	\$ 175,599
Construction in progress	<u>109,084</u>	<u>-</u>	<u>1,940</u>	<u>107,144</u>
Total Capital Assets Not Being Depreciated	<u>284,683</u>	<u>-</u>	<u>1,940</u>	<u>282,743</u>
Capital assets being depreciated				
Buildings and improvements	4,296,754	28,671	27,401	4,298,024
Machinery and equipment	6,212,898	200,172	104,434	6,308,636
Sewer system	42,619,349	1,688,727	148,640	44,159,436
Water system	<u>35,023,180</u>	<u>1,195,807</u>	<u>149,920</u>	<u>36,069,067</u>
Total Capital Assets Being Depreciated	<u>88,152,181</u>	<u>3,113,377</u>	<u>430,395</u>	<u>90,835,163</u>
Total Capital Assets	<u>88,436,864</u>	<u>3,113,377</u>	<u>432,335</u>	<u>91,117,906</u>
Less: Accumulated depreciation for				
Buildings and improvements	(1,039,853)	(125,121)	27,401	(1,137,573)
Machinery and equipment	(3,222,846)	(303,136)	104,434	(3,421,548)
Sewer system	(12,726,322)	(455,035)	148,640	(13,032,717)
Water system	<u>(8,940,665)</u>	<u>(632,128)</u>	<u>149,920</u>	<u>(9,422,873)</u>
Total Accumulated Depreciation	<u>(25,929,686)</u>	<u>(1,515,420)</u>	<u>430,395</u>	<u>(27,014,711)</u>
Net Capital Assets Being Depreciated	<u>62,222,495</u>	<u>1,597,957</u>	<u>-</u>	<u>63,820,452</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 62,507,178</u>	<u>\$ 1,597,957</u>	<u>\$ 1,940</u>	<u>\$ 64,103,195</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 822,144
Sewer	<u>649,244</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,471,388</u>

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General fund	General capital projects	\$ 1,218,653
General fund	TID No. 4 capital projects	2,056
General fund	Water utility	551,794
General fund	Sewer utility	248,144
General fund	Nonmajor governmental funds	96,929
Water utility	Sewer utility	63,998
Water utility	General fund	<u>20,587</u>
Total - Fund Financial Statements		2,202,161
Less: Fund eliminations		(1,381,636)
Less: Government-wide eliminations		(41,174)
Less: Interfund receivables created with internal service fund eliminations		<u>(210,155)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 569,196</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 799,938
Business-type Activities	Governmental Activities	<u>(230,742)</u>
Total Government-Wide Financial Statements		<u>\$ 569,196</u>

All amounts are due within one year.

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt service fund	Nonmajor governmental funds	\$ 196,713	Debt service
Debt service fund	General capital projects TID No. 4 capital projects	386,960	Debt Service
Debt service fund	fund	1,451,900	Debt service
General capital projects	Nonmajor governmental funds	37,388	Impact fees
General fund	Water utility	551,794	Payment in lieu of taxes
Nonmajor government funds	General fund	<u>16,243</u>	Reimbursement of expenses paid
Total - Fund Financial Statements		2,640,998	
Less: Fund eliminations		<u>(2,089,204)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 551,794</u></u>	

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 25,130,000	\$ 2,805,000	\$ 3,855,000	\$ 24,080,000	\$ 3,910,000
(Discounts)/Premiums	555,028	54,900	58,880	551,048	-
Sub-totals	<u>25,685,028</u>	<u>2,859,900</u>	<u>3,913,880</u>	<u>24,631,048</u>	<u>3,910,000</u>
Other Liabilities					
Vested compensated absences	751,810	855,125	853,886	753,049	14,423
Capital leases	65,933	-	34,014	31,919	31,919
Net pension liability	870,688	-	438,254	432,434	-
Total Other Liabilities	<u>1,688,431</u>	<u>855,125</u>	<u>1,326,154</u>	<u>1,217,402</u>	<u>46,342</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,373,459</u>	<u>\$ 3,715,025</u>	<u>\$ 5,240,034</u>	<u>\$ 25,848,450</u>	<u>\$ 3,956,342</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 1,211,390	\$ -	\$ 97,348	\$ 1,114,042	\$ 98,345
Sub-totals	<u>1,211,390</u>	<u>-</u>	<u>97,348</u>	<u>1,114,042</u>	<u>98,345</u>
Other Liabilities					
Vested compensated absences	99,552	59,741	66,476	92,817	1,856
Net pension liability	97,538	-	50,666	46,872	-
Total Other Liabilities	<u>197,090</u>	<u>59,741</u>	<u>117,142</u>	<u>139,689</u>	<u>1,856</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,408,480</u>	<u>\$ 59,741</u>	<u>\$ 214,490</u>	<u>\$ 1,253,731</u>	<u>\$ 100,201</u>

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, 2017, was \$128,873,995. Total general obligation debt outstanding at year-end was \$24,080,000.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017
GO Promissory Note	5/15/2008	2018	3.70%	\$ 1,480,000	\$ 175,000
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	325,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	1,810,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,000,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.35%	805,000	240,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	1,380,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.25 - 1.75%	3,085,000	1,555,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	1,145,000
GO Community Development Bonds - TID No. 6	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	1,980,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	1,065,000	545,000
GO Promissory Note	3/24/2015	2025	2.00%	2,655,000	2,120,000
GO Promissory Note	5/11/2016	2026	2.00%	2,670,000	2,400,000
GO Promissory Note	5/11/2016	2021	2.00%	1,150,000	930,000
GO Promissory Note - TID No. 4	5/11/2016	2018	2.00%	515,000	265,000
GO Promissory Note	3/29/17	2027	2.00 - 2.55%	2,805,000	<u>2,805,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 24,080,000</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2018	\$ 3,910,000	\$ 572,631
2019	3,145,000	467,390
2020	3,225,000	397,851
2021	3,090,000	327,011
2022	1,830,000	273,378
2023-2027	5,830,000	841,425
2028-2032	2,155,000	336,670
2033-2034	<u>895,000</u>	<u>31,589</u>
Totals	<u>\$ 24,080,000</u>	<u>\$ 3,247,945</u>

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 5.47% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,322,222. Principal and interest paid for the current year and total customer gross revenues were \$139,353 and \$2,502,002, respectively.

Revenue debt payable at December 31, 2017, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
<u>Water Utility</u>					
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	\$ 1,130,000	\$ 580,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	<u>534,042</u>
Total Business-type Activities - Revenue Debt					<u>\$ 1,114,042</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2018	\$ 98,345	\$ 38,534
2019	104,368	35,008
2020	110,418	31,213
2021	111,497	27,145
2022	117,604	23,049
2023-2027	470,688	50,516
2028-2029	101,122	2,715
Totals	<u>\$ 1,114,042</u>	<u>\$ 208,180</u>

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.

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, 2017:

Type	Coverage	Expiration
General Liability	\$ 4,000,000	1/1/2018
Automobile	10,000,000	1/1/2018
Workers Compensation	500,000	1/1/2018
Property	100,000,000	1/1/2018

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2017 as follows:

Operating revenues	\$ 2,298,602
Investment income	23,632
Miscellaneous nonoperating income	35,116
Impact fees	144,652
Less: Operation and maintenance expenses	<u>(1,177,808)</u>
 Net Defined Earnings	 <u><u>\$ 1,324,194</u></u>
 Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 87,258
Annual debt service - 2009 revenue bonds	<u>52,095</u>
Subtotal	139,353
Coverage factor	<u>1.25</u>
 Minimum Required Earnings	 <u><u>\$ 174,191</u></u>
 Actual Debt Coverage	 <u><u>9.50</u></u>

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2014 the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$151,380, which are included in capital assets in the governmental activities. The future lease payments as of December 31, 2017, are as follows:

<u>Years</u>	Governmental Activities		
	Principal	Interest	Totals
2018	\$ 31,919	\$ 384	\$ 32,303
Totals	\$ 31,919	\$ 384	\$ 32,303

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2017, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 13,577,807
Construction in progress	44,188
Other capital assets, net of accumulated depreciation	62,571,919
Less: Capital related long-term debt outstanding	<u>(14,873,592)</u>
Total Net Investment in Capital Assets	<u>61,320,322</u>
Restricted	
Impact fees	465,271
Library	115,892
TIF purposes	<u>3,188,461</u>
Total Restricted	<u>3,769,624</u>
Unrestricted	<u>1,140,960</u>
Total Governmental Activities Net Position	<u>\$ 66,230,906</u>

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2017, include the following:

Nonspendable	
Major Fund	
General Fund	
Prepaid items	<u>\$ 15,094</u>
Restricted	
Major Funds	
Debt Service Fund	
Debt service	<u>\$ 138,303</u>
Capital Projects Funds	
General capital projects - unspent debt proceeds	1,191,097
TID No. 4	<u>3,083,475</u>
Sub-Total	<u>4,274,572</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Restricted (cont.)

Nonmajor Funds

Special Revenue Funds

Police improvements	\$ 104,969
Fire improvements	71,665
Library improvements	52,535
Park and recreation improvements	236,102
Library activities	115,892

Capital Project Funds

TIF purposes	104,986
Sub-Total	686,149

Total \$ 5,099,024

Committed

Nonmajor Funds

Senior van replacement	\$ 28,928
Police operations	13,704
Police canine activities	72,429
Police honor guard activities	8,725
Historic preservation activities	1,005
Recreation facility improvements	115,294

Total \$ 240,085

Assigned

Major Funds

General Fund

Payment in lieu of tax	\$ 551,794
Budget carryovers	272,881
Applied to subsequent budget	137,500
Sub-Total	962,175

General Capital Projects Fund

Capital projects	1,103,233
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Total \$ 2,065,408

Unassigned

Major Fund

General fund	\$ 5,175,649
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Nonmajor Fund

TID No. 7 (deficit)	(21,313)
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Total \$ 5,154,336

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 175,599
Construction in progress	107,144
Other capital assets, net of accumulated depreciation	63,820,452
Less: Long-term debt outstanding	<u>(1,114,042)</u>
Total Net Investment in Capital Assets	<u>62,989,153</u>
Restricted	
Impact fees	258,408
Debt service	168,888
Equipment replacement	<u>316,477</u>
Total Restricted	<u>743,773</u>
Unrestricted	<u>10,106,271</u>
Total Business-type Activities Net Position	<u>\$ 73,839,197</u>

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 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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.

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:

<u>Years</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2016	0.5	(5)

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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 \$545,678 in contributions from the village.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2017, the village reported a liability (asset) of \$479,306 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the village's proportion was 0.05815135%, which was a decrease of 0.00144704% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the village recognized pension expense of \$1,250,111.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2017, 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	\$ 182,759	\$ 1,507,376
Changes in assumptions	501,011	-
Net differences between projected and actual earnings on pension plan investments	2,385,834	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,959	-
Employer contributions subsequent to the measurement date	577,241	-
Totals	\$ 3,701,804	\$ 1,507,376

\$577,241 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, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Years Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 1,133,410	\$ 481,251
2019	1,133,410	481,251
2020	928,783	481,251
2021	(72,198)	63,623
2022	1,158	-

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 3.78%. 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)	\$6,305,577	\$479,306	\$(4,007,187)

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, 2017, the village reported a payable to the pension plan of \$88,975, 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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 \$1,534,079 at year-end and is reported in unrestricted net position of the internal service funds.

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

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 38,215	\$ 8,922
Current year claims and changes in estimates	962,434	1,159,500
Claim payments	<u>(991,727)</u>	<u>(1,017,588)</u>
Unpaid Claims - End of Year	<u>\$ 8,922</u>	<u>\$ 150,834</u>

C. COMMITMENTS AND CONTINGENCIES

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

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

The village has active construction projects as of December 31, 2017. 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 EVENTS

On March 5, 2018, the Village issued a \$2,795,000 General Obligation Promissory Note – Series 2018A with proceeds to be used for capital projects. The notes have a ten-year term with a true interest cost of 2.4855%.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV - OTHER INFORMATION (cont.)

D. SUBSEQUENT EVENTS (cont.)

On June 6, 2018, the Village issued a \$2,480,000 General Obligation Community Development bond, Series 2018B to be used for development in Tax Increment District No. 7. The bond will mature in 2033, with a true interest cost of 3.0764%.

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 a 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, 2017 were \$187,123.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	\$ 9,420,753	\$ 9,420,753	\$ 9,420,153	\$ (600)
Other taxes	922,185	388,624	429,513	40,889
Special assessments	-	4,685	4,685	-
Intergovernmental	2,284,747	2,284,747	2,303,300	18,553
Regulation and compliance	881,180	885,080	1,106,195	221,115
Public charges for services	1,678,378	1,674,183	1,793,432	119,249
Investment income	51,724	50,600	63,636	13,036
Miscellaneous	<u>190,051</u>	<u>26,895</u>	<u>126,045</u>	<u>99,150</u>
Total Revenues	<u>15,429,018</u>	<u>14,735,567</u>	<u>15,246,959</u>	<u>511,392</u>
EXPENDITURES				
General Government				
Village board	123,970	123,970	166,215	(42,245)
General administrator	107,588	108,705	132,354	(23,649)
Village clerk	312,028	281,162	231,539	49,623
Treasurer/accounting	188,967	192,800	187,803	4,997
Assessor	117,818	117,818	132,708	(14,890)
Data processing	81,062	82,459	76,285	6,174
General government	158,990	103,129	76,343	26,786
Buildings and ground maintenance	<u>591,979</u>	<u>639,219</u>	<u>565,984</u>	<u>73,235</u>
Total General Government	<u>1,682,402</u>	<u>1,649,262</u>	<u>1,569,231</u>	<u>80,031</u>
Public Safety				
Police protection	4,870,925	4,731,055	4,567,188	163,867
Fire protection	1,886,812	1,875,437	1,752,943	122,494
Emergency government	16,958	17,048	15,791	1,257
Protective inspections	<u>227,683</u>	<u>215,415</u>	<u>220,119</u>	<u>(4,704)</u>
Total Public Safety	<u>7,002,378</u>	<u>6,838,955</u>	<u>6,556,041</u>	<u>282,914</u>
Public Works				
Engineer/director	221,911	214,040	216,080	(2,040)
Highway and street maintenance and construction	3,172,005	3,119,511	2,893,564	225,947
Solid waste recycling	<u>398,521</u>	<u>398,902</u>	<u>386,172</u>	<u>12,730</u>
Total Public Works	<u>3,792,437</u>	<u>3,732,453</u>	<u>3,495,816</u>	<u>236,637</u>

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Culture and Recreation				
Library	\$ 801,431	\$ 825,358	\$ 773,506	\$ 51,852
Recreation	1,232,055	1,221,022	1,224,901	(3,879)
Senior center	130,732	124,010	112,596	11,414
Parks	<u>538,749</u>	<u>488,965</u>	<u>504,685</u>	<u>(15,720)</u>
Total Culture and Recreation	<u>2,702,967</u>	<u>2,659,355</u>	<u>2,615,688</u>	<u>43,667</u>
Conservation and Development				
Planning and zoning	172,353	222,943	155,806	67,137
Municipal development	<u>75,881</u>	<u>128,214</u>	<u>52,471</u>	<u>75,743</u>
Total Conservation and Development	<u>248,234</u>	<u>351,157</u>	<u>208,277</u>	<u>142,880</u>
Capital Outlay	<u>-</u>	<u>513,875</u>	<u>501,937</u>	<u>11,938</u>
Total Expenditures	<u>15,428,418</u>	<u>15,745,057</u>	<u>14,946,990</u>	<u>798,067</u>
 Excess (deficiency) of revenues over expenditures	 <u>600</u>	 <u>(1,009,490)</u>	 <u>299,969</u>	 <u>1,309,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	530,000	551,794	21,794
Transfers out	<u>(600)</u>	<u>(16,843)</u>	<u>(16,243)</u>	<u>600</u>
Total Other Financing Sources (Uses)	<u>(600)</u>	<u>513,157</u>	<u>535,551</u>	<u>22,394</u>
 Net Change in Fund Balance	 -	 (496,333)	 835,520	 1,331,853
 FUND BALANCE - Beginning of Year	 <u>5,317,398</u>	 <u>5,317,398</u>	 <u>5,317,398</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 5,317,398</u>	 <u>\$ 4,821,065</u>	 <u>\$ 6,152,918</u>	 <u>\$ 1,331,853</u>

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

VILLAGE OF GERMANTOWN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM For the Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/17	0.05815135%	\$ 479,306	\$ 6,998,756	6.85%	99.12%
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, 2017

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/17	\$ 577,241	\$ (577,241)	-	\$ 6,970,048	8.28%
12/31/16	550,442	(550,442)	-	6,992,283	7.87%
12/31/15	554,307	(554,307)	-	6,919,432	8.01%

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.

VILLAGE OF GERMANTOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2017

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 \$272,881. 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.

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,458,128	\$ 2,458,128	\$ 2,458,128	\$ -
Investment income	800	800	1,835	1,035
Total Revenues	<u>2,458,928</u>	<u>2,458,928</u>	<u>2,459,963</u>	<u>1,035</u>
EXPENDITURES				
Debt Service				
Principal	3,545,000	3,545,000	3,855,000	(310,000)
Interest and fiscal charges	<u>597,622</u>	<u>600,624</u>	<u>595,302</u>	<u>5,322</u>
Total Expenditures	<u>4,142,622</u>	<u>4,145,624</u>	<u>4,450,302</u>	<u>(304,678)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,683,694)</u>	<u>(1,686,696)</u>	<u>(1,990,339)</u>	<u>(303,643)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,687,496</u>	<u>1,687,496</u>	<u>2,035,573</u>	<u>348,077</u>
Total Other Financing Sources	<u>1,687,496</u>	<u>1,687,496</u>	<u>2,035,573</u>	<u>348,077</u>
Net Change in Fund Balance	3,802	800	45,234	44,434
FUND BALANCE - Beginning of Year	<u>93,069</u>	<u>93,069</u>	<u>93,069</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 96,871</u>	<u>\$ 93,869</u>	<u>\$ 138,303</u>	<u>\$ 44,434</u>

MAJOR CAPITAL PROJECTS FUNDS

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

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 46,578	\$ 46,578	\$ 46,587	\$ 9
Investment income	15,000	15,000	31,306	16,306
Miscellaneous	5,000	5,000	37,931	32,931
Total Revenues	<u>66,578</u>	<u>66,578</u>	<u>115,824</u>	<u>49,246</u>
EXPENDITURES				
Capital outlay	3,055,125	3,856,883	2,454,184	1,402,699
Debt Service				
Debt issuance costs	<u>42,000</u>	<u>42,000</u>	<u>54,801</u>	<u>(12,801)</u>
Total Expenditures	<u>3,097,125</u>	<u>3,898,883</u>	<u>2,508,985</u>	<u>1,389,898</u>
Excess (deficiency) of revenues over expenditures	<u>(3,030,547)</u>	<u>(3,832,305)</u>	<u>(2,393,161)</u>	<u>1,439,144</u>
OTHER FINANCING SOURCES (USES)				
Premium on long-term debt	-	-	54,900	54,900
Issuance of general obligation notes	2,805,000	2,805,000	2,805,000	-
Transfers in	120,000	120,000	37,388	(82,612)
Transfers out	<u>(38,883)</u>	<u>(38,883)</u>	<u>(386,960)</u>	<u>(348,077)</u>
Total Other Financing Sources (Uses)	<u>2,886,117</u>	<u>2,886,117</u>	<u>2,510,328</u>	<u>(375,789)</u>
Net Change in Fund Balance	(144,430)	(946,188)	117,167	1,063,355
FUND BALANCE - Beginning of Year	<u>2,177,163</u>	<u>2,177,163</u>	<u>2,177,163</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,032,733</u>	<u>\$ 1,230,975</u>	<u>\$ 2,294,330</u>	<u>\$ 1,063,355</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 4 CAPITAL PROJECTS FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,500,000	\$ 1,738,028	\$ 1,738,030	\$ 2
Intergovernmental	113,009	113,009	122,360	9,351
Investment income	40,000	40,000	24,369	(15,631)
Miscellaneous	-	-	7,986	7,986
Total Revenues	<u>1,653,009</u>	<u>1,891,037</u>	<u>1,892,745</u>	<u>1,708</u>
EXPENDITURES				
Current:				
Conservation and development	180,000	180,000	187,123	(7,123)
Capital outlay	<u>8,234</u>	<u>8,320</u>	<u>9,739</u>	<u>(1,419)</u>
Total Expenditures	<u>188,234</u>	<u>188,320</u>	<u>196,862</u>	<u>(8,542)</u>
Excess of revenues over expenditures	<u>1,464,775</u>	<u>1,702,717</u>	<u>1,695,883</u>	<u>(6,834)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,451,900)</u>	<u>(1,451,900)</u>	<u>(1,451,900)</u>	<u>-</u>
Total Other Financing Uses	<u>(1,451,900)</u>	<u>(1,451,900)</u>	<u>(1,451,900)</u>	<u>-</u>
Net Change in Fund Balance	12,875	250,817	243,983	(6,834)
FUND BALANCE - Beginning of Year	<u>2,839,492</u>	<u>2,839,492</u>	<u>2,839,492</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,852,367</u>	<u>\$ 3,090,309</u>	<u>\$ 3,083,475</u>	<u>\$ (6,834)</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Police Honor Guard Fund – This fund accounts for receipts and uses of funds to support events in which honor guards are present.

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.

NONMAJOR GOVERNMENTAL FUNDS (Cont'd)

CAPITAL PROJECTS FUNDS

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.

Tax Increment District No. 7 – This fund accounts for the costs of land acquisition and infrastructure improvements related to development and expansion of an industrial park. Financing will be provided primarily from general obligation note proceeds and municipal revenue obligations. It is anticipated that costs will be recovered by future incremental property taxes.

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables			
Taxes receivable	-	-	-
Accrued interest	-	-	-
Restricted Assets			
Cash and investments	104,731	71,539	52,437
Interest	<u>238</u>	<u>126</u>	<u>98</u>
TOTAL ASSETS	<u>\$ 104,969</u>	<u>\$ 71,665</u>	<u>\$ 52,535</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	104,969	71,665	52,535
Committed	-	-	-
Unrestricted (deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>104,969</u>	<u>71,665</u>	<u>52,535</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 104,969</u>	<u>\$ 71,665</u>	<u>\$ 52,535</u>

Special Revenue Funds

Park and Recreation Impact Fee Fund	Senior Van Replacement Fund	Police Asset Forfeiture Fund	Police Canine Fund	Police Honor Guard	Historic Preservation Fund	Library Fund	Facility Fees Fund
\$ -	\$ 28,840	\$ 13,788	\$ 72,825	\$ 8,784	\$ 1,401	\$ 115,892	\$ 115,002
-	-	-	-	-	-	-	-
-	88	46	207	21	4	-	292
235,542	-	-	-	-	-	-	-
560	-	-	-	-	-	-	-
<u>\$ 236,102</u>	<u>\$ 28,928</u>	<u>\$ 13,834</u>	<u>\$ 73,032</u>	<u>\$ 8,805</u>	<u>\$ 1,405</u>	<u>\$ 115,892</u>	<u>\$ 115,294</u>
\$ -	\$ -	\$ 130	\$ 603	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	400	-	-
-	-	-	-	80	-	-	-
-	-	130	603	80	400	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
236,102	-	-	-	-	-	115,892	-
-	28,928	13,704	72,429	8,725	1,005	-	115,294
-	-	-	-	-	-	-	-
<u>236,102</u>	<u>28,928</u>	<u>13,704</u>	<u>72,429</u>	<u>8,725</u>	<u>1,005</u>	<u>115,892</u>	<u>115,294</u>
<u>\$ 236,102</u>	<u>\$ 28,928</u>	<u>\$ 13,834</u>	<u>\$ 73,032</u>	<u>\$ 8,805</u>	<u>\$ 1,405</u>	<u>\$ 115,892</u>	<u>\$ 115,294</u>

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Capital Projects Funds		Total
	TID No. 6 Capital Projects Fund	TID No. 7 Capital Projects Fund	Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 215,957	\$ -	\$ 572,489
Receivables			
Taxes receivable	3,502	-	3,502
Accrued interest	-	-	658
Restricted Assets	-	-	
Cash and investments	-	-	464,249
Interest	-	-	1,022
	-	-	-
TOTAL ASSETS	\$ 219,459	\$ -	\$ 1,041,920
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 27,078	\$ 8,357	\$ 36,168
Accrued liabilities	-	-	400
Due to other funds	83,893	12,956	96,929
Total Liabilities	110,971	21,313	133,497
Deferred Inflows of Resources			
Deferred inflows of resources	3,502	-	3,502
Total Deferred Inflows of Resources	3,502	-	3,502
Fund Balances			
Restricted	104,986	-	686,149
Committed	-	-	240,085
Unrestricted (deficit)	-	(21,313)	(21,313)
Total Fund Balances	104,986	(21,313)	904,921
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 219,459	\$ -	\$ 1,041,920

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Special Revenue Funds			Park and Recreation Impact Fee Fund
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Public charges for services	40,334	63,890	46,927	122,912
Investment income	595	147	165	1,579
Miscellaneous	-	-	-	-
Total Revenues	40,929	64,037	47,092	124,491
EXPENDITURES				
Current				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	40,929	64,037	47,092	124,491
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(9,000)	(3,000)	(37,388)
Total Other Financing Sources (Uses)	-	(9,000)	(3,000)	(37,388)
Net Change in Fund Balances	40,929	55,037	44,092	87,103
FUND BALANCES - Beginning of Year	64,040	16,628	8,443	148,999
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 104,969	\$ 71,665	\$ 52,535	\$ 236,102

Capital Projects Funds	Police Asset Forfeiture Fund	Police Canine Fund	Police Honor Guard	Historic Preser- vation Fund	Library Fund	Facility Fees Fund	TID No. 6 Capital Projects Fund
Senior Van Replace- ment Fund							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 857
2,480	-	-	-	-	-	48,993	-
210	136	533	83	8	803	838	2,874
-	<u>638</u>	<u>20,050</u>	<u>1,377</u>	<u>600</u>	<u>888</u>	-	<u>110,948</u>
<u>2,690</u>	<u>774</u>	<u>20,583</u>	<u>1,460</u>	<u>608</u>	<u>1,691</u>	<u>49,831</u>	<u>114,679</u>
-	4,047	16,233	8,978	-	-	-	-
-	-	-	-	400	1,670	25,032	-
-	-	-	-	-	-	-	36,309
-	-	-	-	-	-	-	<u>179,134</u>
-	<u>4,047</u>	<u>16,233</u>	<u>8,978</u>	<u>400</u>	<u>1,670</u>	<u>25,032</u>	<u>215,443</u>
<u>2,690</u>	<u>(3,273)</u>	<u>4,350</u>	<u>(7,518)</u>	<u>208</u>	<u>21</u>	<u>24,799</u>	<u>(100,764)</u>
-	-	-	16,243	-	-	-	-
-	-	-	-	-	-	-	<u>(184,713)</u>
-	-	-	<u>16,243</u>	-	-	-	<u>(184,713)</u>
2,690	(3,273)	4,350	8,725	208	21	24,799	(285,477)
<u>26,238</u>	<u>16,977</u>	<u>68,079</u>	<u>-</u>	<u>797</u>	<u>115,871</u>	<u>90,495</u>	<u>390,463</u>
<u>\$ 28,928</u>	<u>\$ 13,704</u>	<u>\$ 72,429</u>	<u>\$ 8,725</u>	<u>\$ 1,005</u>	<u>\$ 115,892</u>	<u>\$ 115,294</u>	<u>\$ 104,986</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	TID No. 7 Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES		
Taxes	\$ -	\$ 857
Public charges for services	-	325,536
Investment income	-	7,971
Miscellaneous	-	134,501
Total Revenues	-	468,865
EXPENDITURES		
Current		
Public safety	-	29,258
Culture and recreation	-	27,102
Conservation and development	-	36,309
Capital Outlay	21,313	200,447
Total Expenditures	21,313	293,116
Excess (deficiency) of revenues over expenditures	(21,313)	175,749
OTHER FINANCING SOURCES (USES)		
Transfers in	-	16,243
Transfers out	-	(234,101)
Total Other Financing Sources (Uses)	-	(217,858)
Net Change in Fund Balances	(21,313)	(42,109)
FUND BALANCES - Beginning of Year	-	947,030
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (21,313)	\$ 904,921

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 8,584	\$ 8,584	\$ 40,334	\$ 31,750
Investment income	1,000	1,000	595	(405)
Total Revenues	<u>9,584</u>	<u>9,584</u>	<u>40,929</u>	<u>31,345</u>
 OTHER FINANCING USES				
Transfers out	(60,000)	(60,000)	-	60,000
Total Other Financing Uses	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
 Net Change in Fund Balance	(50,416)	(50,416)	40,929	91,345
 FUND BALANCE - Beginning of Year	<u>64,040</u>	<u>64,040</u>	<u>64,040</u>	<u>-</u>
 FUND BALANCE - END OF YEAR	<u>\$ 13,624</u>	<u>\$ 13,624</u>	<u>\$ 104,969</u>	<u>\$ 91,345</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FIRE IMPACT FEE FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 9,918	\$ 9,918	\$ 63,890	\$ 53,972
Investment income	400	400	147	(253)
Total Revenues	<u>10,318</u>	<u>10,318</u>	<u>64,037</u>	<u>53,719</u>
OTHER FINANCING USES				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
Net Change in Fund Balance	1,318	1,318	55,037	53,719
FUND BALANCE - Beginning of Year	<u>16,628</u>	<u>16,628</u>	<u>16,628</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,946</u>	<u>\$ 17,946</u>	<u>\$ 71,665</u>	<u>\$ 53,719</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY IMPACT FEE FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 16,298	\$ 16,298	\$ 46,927	\$ 30,629
Investment income	300	300	165	(135)
Total Revenues	<u>16,598</u>	<u>16,598</u>	<u>47,092</u>	<u>30,494</u>
OTHER FINANCING USES				
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
Net Change in Fund Balance	13,598	13,598	44,092	30,494
FUND BALANCE - Beginning of Year	<u>8,443</u>	<u>8,443</u>	<u>8,443</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,041</u>	<u>\$ 22,041</u>	<u>\$ 52,535</u>	<u>\$ 30,494</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PARK AND RECREATION IMPACT FEE FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 42,688	\$ 42,688	\$ 122,912	\$ 80,224
Investment income	3,000	3,000	1,579	(1,421)
Total Revenues	<u>45,688</u>	<u>45,688</u>	<u>124,491</u>	<u>78,803</u>
OTHER FINANCING USES				
Transfers out	(60,000)	(60,000)	(37,388)	22,612
Total Other Financing Uses	<u>(60,000)</u>	<u>(60,000)</u>	<u>(37,388)</u>	<u>22,612</u>
Net Change in Fund Balance	(14,312)	(14,312)	87,103	101,415
FUND BALANCE - Beginning of Year	<u>148,999</u>	<u>148,999</u>	<u>148,999</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 134,687</u>	<u>\$ 134,687</u>	<u>\$ 236,102</u>	<u>\$ 101,415</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SENIOR VAN REPLACEMENT FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 3,500	\$ 3,500	\$ 2,480	\$ (1,020)
Investment income	400	400	210	(190)
Total Revenues	<u>3,900</u>	<u>3,900</u>	<u>2,690</u>	<u>(1,210)</u>
Net Change in Fund Balance	3,900	3,900	2,690	(1,210)
FUND BALANCE - Beginning of Year	<u>26,238</u>	<u>26,238</u>	<u>26,238</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 30,138</u>	<u>\$ 30,138</u>	<u>\$ 28,928</u>	<u>\$ (1,210)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE ASSET FORFEITURE FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 600	\$ 600	\$ 136	\$ (464)
Miscellaneous	10,000	10,000	638	(9,362)
Total Revenues	<u>10,600</u>	<u>10,600</u>	<u>774</u>	<u>(9,826)</u>
EXPENDITURES				
Public safety	<u>4,000</u>	<u>4,000</u>	<u>4,047</u>	<u>(47)</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,047</u>	<u>(47)</u>
Net Change in Fund Balance	6,600	6,600	(3,273)	(9,873)
FUND BALANCE - Beginning of Year	<u>16,977</u>	<u>16,977</u>	<u>16,977</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 23,577</u>	<u>\$ 23,577</u>	<u>\$ 13,704</u>	<u>\$ (9,873)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE CANINE FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,200	\$ 1,200	\$ 533	\$ (667)
Miscellaneous	7,000	7,000	20,050	13,050
Total Revenues	<u>8,200</u>	<u>8,200</u>	<u>20,583</u>	<u>12,383</u>
EXPENDITURES				
Public safety	4,000	4,000	16,233	(12,233)
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>16,233</u>	<u>(12,233)</u>
Net Change in Fund Balance	4,200	4,200	4,350	150
FUND BALANCE - Beginning of Year	<u>68,079</u>	<u>68,079</u>	<u>68,079</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 72,279</u>	<u>\$ 72,279</u>	<u>\$ 72,429</u>	<u>\$ 150</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE HONOR GUARD For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 83	\$ 83
Miscellaneous	-	-	1,377	1,377
Total Revenues	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>1,460</u>
EXPENDITURES				
Public safety	-	-	8,978	(8,978)
Total Expenditures	<u>-</u>	<u>-</u>	<u>8,978</u>	<u>(8,978)</u>
OTHER FINANCING SOURCES				
Transfers in	16,243	16,243	16,243	-
Total Other Financing Sources	<u>16,243</u>	<u>16,243</u>	<u>16,243</u>	<u>-</u>
Net Change in Fund Balance	16,243	16,243	8,725	(7,518)
FUND BALANCE - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 16,243</u>	<u>\$ 16,243</u>	<u>\$ 8,725</u>	<u>\$ (7,518)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 8	\$ 8	\$ 8	\$ -
Miscellaneous	600	600	600	-
Total Revenues	<u>608</u>	<u>608</u>	<u>608</u>	<u>-</u>
EXPENDITURES				
Culture and recreation	<u>746</u>	<u>746</u>	400	<u>346</u>
Total Expenditures	<u>746</u>	<u>746</u>	<u>400</u>	<u>346</u>
Net Change in Fund Balance	(138)	(138)	208	346
FUND BALANCE - Beginning of Year	<u>797</u>	<u>797</u>	<u>797</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 659</u>	<u>\$ 659</u>	<u>\$ 1,005</u>	<u>\$ 346</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 10	\$ 10	\$ 803	\$ 793
Miscellaneous	2,000	2,000	888	(1,112)
Total Revenues	<u>2,010</u>	<u>2,010</u>	<u>1,691</u>	<u>(319)</u>
EXPENDITURES				
Culture and recreation	-	-	1,670	(1,670)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,670</u>	<u>(1,670)</u>
Net Change in Fund Balance	2,010	2,010	21	(1,989)
FUND BALANCE - Beginning of Year	<u>115,871</u>	<u>115,871</u>	<u>115,871</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 117,881</u>	<u>\$ 117,881</u>	<u>\$ 115,892</u>	<u>\$ (1,989)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FACILITY FEES FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 36,500	\$ 36,500	\$ 48,993	\$ 12,493
Investment income	1,000	1,000	838	(162)
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>49,831</u>	<u>12,331</u>
EXPENDITURES				
Culture and recreation	<u>35,500</u>	<u>35,500</u>	<u>25,032</u>	<u>10,468</u>
Total Expenditures	<u>35,500</u>	<u>35,500</u>	<u>25,032</u>	<u>10,468</u>
Net Change in Fund Balance	2,000	2,000	24,799	22,799
FUND BALANCE - Beginning of Year	<u>90,495</u>	<u>90,495</u>	<u>90,495</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 92,495</u>	<u>\$ 92,495</u>	<u>\$ 115,294</u>	<u>\$ 22,799</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 6 CAPITAL PROJECTS FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,000	\$ 857	\$ 857	\$ -
Investment income	2,500	2,500	2,874	374
Miscellaneous	110,000	110,000	110,948	948
Total Revenues	<u>113,500</u>	<u>113,357</u>	<u>114,679</u>	<u>1,322</u>
EXPENDITURES				
Current				
Conservation and development	78,465	52,591	36,309	16,282
Capital outlay	<u>70,000</u>	<u>96,500</u>	<u>179,134</u>	<u>(82,634)</u>
Total Expenditures	<u>148,465</u>	<u>149,091</u>	<u>215,443</u>	<u>(66,352)</u>
Excess (deficiency) of revenues over expenditures	<u>(34,965)</u>	<u>(35,734)</u>	<u>(100,764)</u>	<u>(65,030)</u>
OTHER FINANCING USES				
Transfers out	<u>(184,713)</u>	<u>(184,713)</u>	<u>(184,713)</u>	<u>-</u>
Total Other Financing Uses	<u>(184,713)</u>	<u>(184,713)</u>	<u>(184,713)</u>	<u>-</u>
Net Change in Fund Balance	(219,678)	(220,447)	(285,477)	(65,030)
FUND BALANCE - Beginning of Year	<u>390,463</u>	<u>390,463</u>	<u>390,463</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 170,785</u>	<u>\$ 170,016</u>	<u>\$ 104,986</u>	<u>\$ (65,030)</u>

INTERNAL SERVICE FUNDS

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

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

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

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2017

	Health Insurance Fund	Dental Insurance Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets			
Cash and investments	\$ 1,624,944	\$ 55,791	\$ 1,680,735
Receivables			
Accounts	1,302	-	1,302
Interest	<u>2,743</u>	<u>133</u>	<u>2,876</u>
Total Assets	<u>1,628,989</u>	<u>55,924</u>	<u>1,684,913</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>146,951</u>	<u>3,883</u>	<u>150,834</u>
Total Current Liabilities	<u>146,951</u>	<u>3,883</u>	<u>150,834</u>
Total Liabilities	<u>146,951</u>	<u>3,883</u>	<u>150,834</u>
NET POSITION			
Unrestricted	<u>1,482,038</u>	<u>52,041</u>	<u>1,534,079</u>
TOTAL NET POSITION	<u><u>\$ 1,482,038</u></u>	<u><u>\$ 52,041</u></u>	<u><u>\$ 1,534,079</u></u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

	Health Insurance Fund	Dental Insurance Fund	Totals
OPERATING REVENUES			
Premiums	\$ 1,566,615	\$ 101,390	\$ 1,668,005
Total Operating Revenues	<u>1,566,615</u>	<u>101,390</u>	<u>1,668,005</u>
OPERATING EXPENSES			
General government	1,537,195	83,727	1,620,922
Total Operating Expenses	<u>1,537,195</u>	<u>83,727</u>	<u>1,620,922</u>
Operating Income	<u>29,420</u>	<u>17,663</u>	<u>47,083</u>
NONOPERATING REVENUES			
Investment income	9,915	119	10,034
Total Nonoperating Revenues	<u>9,915</u>	<u>119</u>	<u>10,034</u>
Change in net position	39,335	17,782	57,117
NET POSITION - Beginning of Year	<u>1,442,703</u>	<u>34,259</u>	<u>1,476,962</u>
NET POSITION - END OF YEAR	<u>\$ 1,482,038</u>	<u>\$ 52,041</u>	<u>\$ 1,534,079</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from other funds	\$ 1,574,768	\$ 101,390	\$ 1,676,158
Paid to suppliers for goods and services	<u>(1,390,244)</u>	<u>(88,766)</u>	<u>(1,479,010)</u>
Net Cash Flows From Operating Activities	<u>184,524</u>	<u>12,624</u>	<u>197,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>8,352</u>	<u>165</u>	<u>8,517</u>
Net Cash Flows From Investing Activities	<u>8,352</u>	<u>165</u>	<u>8,517</u>
Net Change in Cash and Cash Equivalents	192,876	12,789	205,665
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,432,068</u>	<u>43,002</u>	<u>1,475,070</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,624,944</u>	<u>\$ 55,791</u>	<u>\$ 1,680,735</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 29,420	\$ 17,663	\$ 47,083
Changes in assets and liabilities			
Accounts receivable	8,153	-	8,153
Accounts payable	<u>146,951</u>	<u>(5,039)</u>	<u>141,912</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 184,524</u>	<u>\$ 12,624</u>	<u>\$ 197,148</u>
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, 2017

	<u>Balance 1-1-17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-17</u>
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 22,630,146	\$ 21,041,340	\$ 22,630,146	\$ 21,041,340
Taxes receivable	<u>8,147,208</u>	<u>10,394,570</u>	<u>8,147,208</u>	<u>10,394,570</u>
TOTAL ASSETS	<u>\$ 30,777,354</u>	<u>\$ 31,435,910</u>	<u>\$ 30,777,354</u>	<u>\$ 31,435,910</u>
Liabilities				
Accounts payable	\$ 102,349	\$ 54,275	\$ 102,349	\$ 54,275
Due to other governments	<u>30,675,005</u>	<u>31,381,635</u>	<u>30,675,005</u>	<u>31,381,635</u>
TOTAL LIABILITIES	<u>\$ 30,777,354</u>	<u>\$ 31,435,910</u>	<u>\$ 30,777,354</u>	<u>\$ 31,435,910</u>

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 6a – Direct and Overlapping Property Tax Rates
- Schedule 6b – Full Value Rates for Property Taxes
- 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.

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

Table 1

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net Investment in Capital Assets	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	61,320,322
Restricted	270,559	197,242	206,743	4,503,846	5,969,086	6,064,600	10,384,891	10,350,597	3,583,936	3,769,624
Unrestricted (deficit)	<u>(6,601,150)</u>	<u>(5,002,450)</u>	<u>(2,677,990)</u>	<u>(3,764,048)</u>	<u>(3,104,646)</u>	<u>(1,654,758)</u>	<u>(4,827,536)</u>	<u>(1,627,476)</u>	<u>832,027</u>	<u>1,140,960</u>
Total governmental activities net position	<u>54,299,090</u>	<u>55,898,525</u>	<u>57,790,760</u>	<u>59,960,731</u>	<u>62,892,904</u>	<u>63,799,677</u>	<u>64,385,764</u>	<u>68,184,508</u>	<u>65,211,317</u>	<u>66,230,906</u>
Business-type activities										
Net Investment in Capital Assets	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	62,989,153
Restricted	791,539	809,221	686,986	624,121	625,311	639,877	683,237	835,537	645,764	743,773
Unrestricted	<u>6,928,221</u>	<u>5,616,294</u>	<u>5,317,582</u>	<u>5,390,007</u>	<u>6,676,728</u>	<u>8,005,572</u>	<u>8,284,532</u>	<u>10,311,120</u>	<u>9,064,837</u>	<u>10,106,271</u>
Total business-type activities net position	<u>67,174,739</u>	<u>66,654,890</u>	<u>65,588,751</u>	<u>65,213,515</u>	<u>65,531,674</u>	<u>65,750,398</u>	<u>66,625,238</u>	<u>68,184,410</u>	<u>71,006,389</u>	<u>73,839,197</u>
Primary Government										
Net Investment in Capital Assets	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	122,530,058
Restricted	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	4,513,397
Unrestricted	<u>327,071</u>	<u>1,721,382</u>	<u>3,495,747</u>	<u>2,353,833</u>	<u>3,887,466</u>	<u>6,451,486</u>	<u>3,737,671</u>	<u>8,932,642</u>	<u>11,681,947</u>	<u>13,026,648</u>
Total primary government net position	<u>121,473,829</u>	<u>122,553,415</u>	<u>123,379,511</u>	<u>125,174,246</u>	<u>128,424,578</u>	<u>129,550,078</u>	<u>131,011,002</u>	<u>136,368,918</u>	<u>136,217,706</u>	<u>140,070,103</u>

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

Table 2

Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
General government	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	1,938,952
Public safety	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	7,676,429
Public works	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	6,116,561
Culture and recreation	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	3,026,746
Conservation and development	689,757	343,793	308,014	269,046	254,211	757,450	2,090,544	365,437	2,530,367	857,765
Interest & Fiscal charges	1,512,404	1,392,104	1,235,140	1,113,907	941,011	1,013,868	751,307	894,302	686,590	616,440
Total governmental activities expense	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	20,232,893
Business-type activities										
Water	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	2,038,214
Wastewater	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	6,357,603
Total business-type activities expenses	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	8,395,817
Total primary government expenses	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	28,628,710
Program Revenues										
Governmental activities										
Charges for Services										
General government	263,333	265,483	279,204	266,974	310,657	312,260	305,520	320,634	311,203	311,761
Public safety	877,071	719,415	731,949	828,539	960,015	1,052,083	1,158,225	1,099,257	965,276	1,275,353
Public works	249,199	190,342	166,902	242,763	252,638	271,587	271,855	223,462	149,461	252,721
Culture and recreation	787,828	839,153	926,718	887,803	923,857	939,005	1,001,646	1,086,100	1,112,829	1,142,084
Conservation and development	14,638	8,562	7,973	8,487	14,578	13,808	14,861	15,662	10,380	18,571
Operating grants and contributions	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	1,576,491
Capital grants and contributions	2,468,296	617,381	370,030	65,370	536,093	86,063	111,489	227,012	483,058	576,089
Total governmental activities program revenues	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	5,153,070
Business-type activities										
Charges for services:										
Water and Wastewater	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	9,047,483
Capital Grants and contributions	1,721,377	956,876	432,757	579,958	381,262	118,335	928,330	349,330	2,288,166	2,622,069
Total business-type activities program revenues	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	11,669,552
Total primary government program revenues	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	16,822,622
Net (Expense) Revenue										
Governmental Activities	(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)	(15,079,823)
Business-type Activities	(11,030)	(90,972)	(591,426)	144,342	883,691	794,167	1,361,894	1,751,375	3,281,909	3,273,735
Total Primary government net expense	(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)	(11,806,088)
General Revenues and Other Changes in Net Assts										
Governmental Activities:										
Taxes										
Property Taxes	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	14,068,807
Intergovernmental revenues	721,801	1,006,788	987,881	971,494	1,027,432	1,001,520	946,067	993,240	1,033,149	1,048,796
Investment income	515,428	143,110	111,559	151,222	126,365	65,225	135,166	123,261	120,496	140,275
Other	701,768	355,390	399,508	893,020	1,178,751	341,198	1,871,679	568,135	352,951	289,740
Total General Revenues Government Activities	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	15,547,618
Business-type Activities:										
Investment Income (Loss)	276,937	55,558	58,934	29,376	14,138	(738)	42,192	45,226	53,570	72,534
Other	-	-	-	-	-	-	-	-	-	38,333
Total General Revenues Business-type Activities	276,937	55,558	58,934	29,376	14,138	(738)	42,192	45,226	53,570	110,867
Total Primary Government	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	15,658,485
Change in Net Position										
Governmental Activities	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)	1,019,589
Business-type Activities	(180,852)	(519,849)	(1,066,139)	(375,236)	318,159	218,724	874,840	1,268,448	2,821,979	2,832,808
Total Primary Government	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)	3,852,397

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

Table 3

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved for:										
Non-current receivables	78,841	88,735	99,505	-	-	-	-	-	-	-
Payment in lieu of taxes	446,759	484,435	533,647	-	-	-	-	-	-	-
Designated for carryovers	-	-	91,263	-	-	-	-	-	-	-
Undesignated	919,250	1,277,719	1,817,020	-	-	-	-	-	-	-
Nonspendable	-	-	-	65,937	54,782	67,183	149,592	2,248	16,035	15,094
Assigned - payment in lieu of taxes	-	-	-	548,954	579,670	574,705	529,246	528,153	513,500	551,794
Assigned - carryovers	-	-	-	254,097	328,036	202,503	187,608	471,661	332,882	410,381
Unassigned	-	-	-	<u>2,385,601</u>	<u>2,993,040</u>	<u>3,271,462</u>	<u>3,403,046</u>	<u>3,926,381</u>	<u>4,454,981</u>	<u>5,175,649</u>
Total general fund	<u>1,444,850</u>	<u>1,850,889</u>	<u>2,541,435</u>	<u>3,254,589</u>	<u>3,955,528</u>	<u>4,115,853</u>	<u>4,269,492</u>	<u>4,928,443</u>	<u>5,317,398</u>	<u>6,152,918</u>
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	(160,612)	40,002	233,960	-	-	-	-	-	-	-
Impact fees	164,883	89,031	97,765	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Special revenue funds	141,272	144,210	144,403	-	-	-	-	-	-	-
Capital projects funds	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	5,099,024
Committed	-	-	-	51,544	61,986	94,394	141,277	185,008	202,586	240,085
Assigned	-	-	-	1,079,892	795,282	1,023,168	1,252,639	1,863,541	1,558,510	1,103,233
Unassigned	-	-	-	-	-	-	-	-	-	(21,313)
Total all other governmental funds	<u>6,473,945</u>	<u>5,544,484</u>	<u>5,564,021</u>	<u>7,101,704</u>	<u>7,879,737</u>	<u>7,541,954</u>	<u>12,973,601</u>	<u>11,380,184</u>	<u>6,056,754</u>	<u>6,421,029</u>
Total fund balance, governmental funds:	<u>7,918,795</u>	<u>7,395,373</u>	<u>8,105,456</u>	<u>10,356,293</u>	<u>11,835,265</u>	<u>11,657,807</u>	<u>17,243,093</u>	<u>16,308,627</u>	<u>11,374,152</u>	<u>12,573,947</u>

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

Fluctuations in all other governmental fund balance, reserved and unreserved amounts, primarily reflect financing, construction in progress, and completion of capital projects.

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

Table 4

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	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	14,046,681
Special Assessments	360,183	314,115	263,451	284,381	288,768	309,302	339,950	363,716	514,964	4,685
Intergovernmental	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	2,472,247
Regulation and compliance	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161	1,095,844	838,034	1,106,195
Public charges for services	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	2,118,968
Interdepartmental charges	49,819	61,995	53,000	95,000	-	-	-	-	-	-
Investment income	508,194	148,150	106,457	148,577	125,851	63,566	133,479	115,493	113,796	129,117
Miscellaneous	230,299	244,627	249,299	886,517	2,007,897	200,216	2,059,497	706,697	157,046	306,463
Total Revenues	<u>17,882,294</u>	<u>18,052,996</u>	<u>18,865,891</u>	<u>19,955,021</u>	<u>21,058,900</u>	<u>19,516,846</u>	<u>20,632,169</u>	<u>19,280,641</u>	<u>19,589,752</u>	<u>20,184,356</u>
Expenditures										
General Government	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	1,569,231
Public Safety	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	6,585,299
Public Works	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	3,495,816
Culture and recreation	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	2,642,790
Conservation and development	234,035	222,248	207,684	199,172	187,562	692,834	452,337	422,986	476,696	431,709
Capital Outlay	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	3,166,307
Debt Service										
Principal	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	3,855,000
Interest and fiscal charges	1,435,035	1,348,891	1,056,393	1,079,467	930,029	722,234	617,882	741,975	670,932	595,302
Debt issuance costs	5,384	50,656	100,434	44,039	80,370	35,536	147,838	58,658	68,698	54,801
Total Expenditures	<u>25,164,301</u>	<u>24,496,565</u>	<u>20,474,316</u>	<u>20,537,024</u>	<u>23,333,115</u>	<u>22,174,009</u>	<u>25,266,330</u>	<u>23,468,506</u>	<u>29,517,743</u>	<u>22,396,255</u>
Excess (Deficiency) of Revenues										
Over Expenditures	<u>(7,282,007)</u>	<u>(6,443,569)</u>	<u>(1,608,425)</u>	<u>(582,003)</u>	<u>(2,274,215)</u>	<u>(2,657,163)</u>	<u>(4,634,161)</u>	<u>(4,187,865)</u>	<u>(9,927,991)</u>	<u>(2,211,899)</u>
Other Financing Sources (Uses):										
Proceeds from the sale of land	363,940	-	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	151,380	-	-	-
Issuance of general obligation notes	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	2,805,000
Issuance of refunding debt	-	3,740,000	3,905,000	-	3,890,000	-	1,065,000	-	1,665,000	-
Premium on long-term debt	-	-	3,740	83,886	-	-	423,821	70,246	145,016	54,900
Payment to escrow agent	-	-	(3,918,339)	-	(3,086,483)	-	-	-	-	-
Transfers In	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	2,640,998
Transfers Out	<u>(3,827,903)</u>	<u>(3,794,538)</u>	<u>(4,276,986)</u>	<u>(4,395,049)</u>	<u>(4,377,360)</u>	<u>(5,299,686)</u>	<u>(2,105,716)</u>	<u>(2,061,144)</u>	<u>(2,380,174)</u>	<u>(2,089,204)</u>
Total Other Financing Uses	<u>2,305,199</u>	<u>5,919,607</u>	<u>2,319,048</u>	<u>2,832,840</u>	<u>3,753,187</u>	<u>2,479,705</u>	<u>10,219,447</u>	<u>3,253,399</u>	<u>4,993,516</u>	<u>3,411,694</u>
Net Change in Fund Balances	<u>(4,976,808)</u>	<u>(523,962)</u>	<u>710,623</u>	<u>2,250,837</u>	<u>1,478,972</u>	<u>(177,458)</u>	<u>5,585,286</u>	<u>(934,466)</u>	<u>(4,934,475)</u>	<u>1,199,795</u>
Debt Service as a percentage of noncapital expenditures ⁽¹⁾	28.64%	41.56%	27.71%	26.76%	29.27%	23.02%	26.71%	26.51%	27.28%	22.34%

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⁾ 2017- Capital Outlay actually capitalized \$2,472,004, Total Noncapital expenditures \$19,924,251

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

Table 5

Fiscal Year Ended Dec 31.	Real Property		Personal Property		Total		Village Total Direct Tax Rate	Ratio of Assessed to Equalized
	Assessed	Equalized Value	Assessed	Equalized Value	Assessed	Equalized Value		
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%
2017	2,454,515,300	2,516,333,300	60,932,600	61,146,600	2,515,447,900	2,577,479,900	0.504	97.55%

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 6a

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

Fiscal Year Ended Dec 31.	Village Direct Rates			Total Tax Rate	Germantown School District	Overlapping Rates			Total Tax Levy
	Basic	Debt Service	Capital Projects			Washington County	Milwaukee Area Technical College	State of Wisconsin	
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
2017	3.92	1.12	0.00	5.04	9.13	2.55	1.29	0.00	18.01

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

Village of Germantown, Wisconsin

Table 6b

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

Year Levied Tax Collected	Local	1 Schools	County	2 Other	3
					Total Full Value Effective Rate
2008/09	4.42	10.80	2.71	1.23	16.57
2009/10	4.55	11.50	2.78	1.35	17.52
2010/11	4.69	12.20	2.86	1.50	18.41
2011/12	4.79	12.07	2.86	1.45	18.35
2012/13	5.02	12.43	2.88	1.57	18.88
2013/14	5.19	11.97	2.86	0.84	19.19
2014/15	5.04	10.77	2.69	0.74	17.67
2015/16	5.07	10.40	2.60	0.18	17.24
2016/17	4.94	10.01	2.58	0.18	16.87
2017/18	4.92	10.17	2.49	0.00	17.58

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.

State property taxes were eliminated in the State's 2017 - 2019 budget act

3 Property tax less state property tax credit (not including lottery credit).

Village of Germantown, Wisconsin

Table 7

Principal Property Tax Payers

Current Year and Nine Years Ago

<u>Taxpayer</u>	2017		2008	
	Estimated Equalized Value ,	Percentage Village's Total Equalized Value	Taxable Equalized Value	Percentage Village's Total Equalized Value
The Gables of Germantown LLC	22,086,007	0.86%	15,201,199	0.64%
Airgas Safety	19,744,131	0.77%		
Sentinel Germantown	24,718,401	0.96%		
Meridian Germantown LLC	16,131,830	0.63%	19,388,655	0.81%
Cambridge Major Laboratories	15,919,836	0.62%	10,295,425	0.43%
JW Speaker/Phylmack	13,938,698	0.54%		
Heather Lake	13,538,596	0.53%		
Stonehedge Properties	12,816,197	0.50%	13,594,301	0.57%
Germantown Properties	8,867,248	0.34%		
Menard's	8,803,075	0.34%	11,838,032	0.49%
Waste Management			12,401,832	0.52%
Compass Properties			15,179,701	0.63%
Devo Germantown LLC				
Gehl's Guernsey				
Germantown Plaza			11,082,220	0.46%
Fountain Square				
Aurora Health Care			15,099,701	0.63%
Anthony Palermo			14,166,101	0.59%
Total	\$156,564,019	6.07%	\$138,247,167	5.78%

Source:

*Village of Germantown Finance Department, Assessors Department and Village records
 , Estimated by dividing the assessed values by the ratio of assessed to equalized value for the Village*

a) Total Equalized Value January 1, 2017 =

\$ 2,577,479,900

b) Total Equalized Value January 1, 2008 =

\$ 2,392,648,756

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

Table 8

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy ¹		Collection in Subsequent Years ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2017	45,309,491	34,975,793	77.19%	10,333,698 **	45,288,234	99.95%

** 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
Water & Wastewater Utility - Customer Count
Last Ten Fiscal Years

Table 9

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017*
Water and Sewer											
Number of Water Customers	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440	5,460	5,484
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	1,479,211
Number of Wastewater Customers	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696	5,705

* 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
Water Utility Customer Summary
Last Ten Fiscal Years

Table 10

	2007	2008	2009	2010	2011	2012	2013*	2014	2015	2016	2017
Number of customers											
Residential	4,595	4,628	4,636	4,663	4,670	4685	4727	4774	4840	4857	4865
Res - Multi-Family*							107	107	108	108	108
Commercial	785	801	802	802	523	528	432	433	451	450	466
Industrial	27	21	21	21	21	22	22	22	22	22	22
Public	19	19	20	24	24	20	23	23	19	23	23
Total	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440	5,460	5,484
Gallons (thousands)											
Residential	312,443	306,127	301,575	281,134	281,405	314,016	278,289	264,880	270,293	262,740	255,115
Res - Multi-Family*							49,595	49,317	51,143	49,760	49,659
Commercial	167,068	168,601	177,733	170,811	180,989	176,460	119,599	106,747	121,561	126,118	128,166
Industrial	44,493	36,936	34,067	43,368	47,300	53,276	181,544	227,407	247,368	134,939	96,416**
Public	10,248	10,774	11,231	9,928	10,080	9,702	9,373	7,952	8,372	8,877	10,556
Total	534,252	522,438	524,606	505,241	519,774	553,454	638,400	656,303	698,737	582,434	539,912

* 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
Water Utility Customer Rates
Last Ten Fiscal Years

Table 11

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Metered Service	*	**				***	****			
Quarterly Service Charge										
5/8 inch meter	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27
3/4 inch meter	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27
1 inch meter	\$22.50	\$23.18	\$24.00	24.00	24.00	24.72	25.46	25.46	25.46	25.46
1 1/4 inch meter	\$30.75	\$31.67	\$33.00	33.00	33.00	33.99	35.01	35.01	35.01	35.01
1 1/2 inch meter	\$39.00	\$40.17	\$42.00	42.00	42.00	43.26	44.56	44.56	44.56	44.56
2 inch meter	\$60.00	\$61.80	\$63.00	63.00	63.00	64.89	66.84	66.84	66.84	66.84
3 inch meter	\$99.00	\$101.97	\$105.00	105.00	105.00	108.15	111.39	111.39	111.39	111.39
4 inch meter	\$156.00	\$160.68	\$162.00	162.00	162.00	166.86	171.87	171.87	171.87	171.87
6 inch meter	\$288.00	\$296.64	\$300.00	300.00	300.00	309.00	318.24	318.24	318.24	318.24
8 inch meter	\$444.00	\$457.32	\$462.00	462.00	462.00	475.86	490.14	490.14	490.14	490.14
10 inch meter	\$648.00	\$667.44	\$675.00	675.00	675.00	695.25	716.11	716.11	716.11	716.11
12 inch meter	\$855.00	\$880.65	\$891.00	891.00	891.00	917.73	945.26	945.26	945.26	945.26
Volume rate (per 1,000 gallons)										
First 100,000 gallons	\$1.94	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22	\$2.29	\$2.29	\$2.29	\$2.29
Next 900,000 gallons	\$1.65	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91	\$1.97	\$1.97	\$1.97	\$1.97
Over 1,000,000 gallons	\$1.42	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62	\$1.67	\$1.67	\$1.67	\$1.67
Public Fire Protection										
Annual service charge to the Village of Germantown	\$491,824	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776	\$537,429	\$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
Wastewater Utility Customer Summary
Last Ten Fiscal Years

Table 12

	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
Number of customers										
Residential	4,380	4,389	4,412	4,419	4,432	4,473	4,519	4,564	4,574	4,578
Commercial	1,301	1,308	1,308	1,028	1,027	1,026	1,031	1,066	1,070	1,075
Industrial	26	27	29	29	31	32	32	31	31	31
Public	20	20	21	21	21	21	21	21	21	21
Total	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696	5,705
Gallons (thousands)										
Residential	291,335	296,805	266,797	268,106	298,742	263,821	251,582	255,996	249,473	241,242
Commercial	160,627	168,260	165,434	174,766	171,901	159,206	139,755	160,665	161,433	166,929
Industrial	138,293	117,070	142,091	160,703	194,685	216,399	189,970	307,978	272,429	246,822
Public	9,237	9,666	7,953	7,893	7,368	7,264	8,035	8,304	8,022	10,669
Total	599,492	591,801	582,275	611,468	672,696	646,690	589,342	732,943	691,357	665,662

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
Wastewater Utility Customer Rates
Last Ten Fiscal Years

Table 13

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Metered Service		*	**	***	****		*****			
Quarterly Service Charge										
5/8 inch meter	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01
3/4 inch meter	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01
1 inch meter	\$37.00	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29	\$74.02	\$74.02	\$74.02	\$74.02
1 1/2 inch meter	\$51.00	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75	\$102.02	\$102.02	\$102.02	\$102.02
2 inch meter	\$66.00	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01	\$132.02	\$132.02	\$132.02	\$132.02
3 inch meter	\$101.00	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67	\$202.03	\$202.03	\$202.03	\$202.03
4 inch meter	\$181.00	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14	\$362.06	\$362.06	\$362.06	\$362.06
6 inch meter	\$296.00	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26	\$592.08	\$592.08	\$592.08	\$592.08
Volume rate (per 1,000 gallons)										
All Classes	\$4.32									
Residential Only		\$4.32	\$4.752	\$5.465	\$6.285	\$6.285	\$6.913	\$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	\$8.641
General Unmetered Service										
Flat rate	\$96.68	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93	\$162.75	\$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

Fiscal Year Ended December 31,	Governmental Activities					Business-type Activities		Total Primary Government	Debt per Capita	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other Obligations	Capital Leases	Water Utility Revenue Bonds	Water & Sewer Utility Notes			
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
2017	5,405,000	14,745,000	3,930,000	-	31,919	1,114,042	-	25,225,961	1,264	19,965

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 U.S. Census Bureau, and estimates per Official Statements

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

Table 15

Fiscal Year Ended December 31,	General Bonded Debt Outstanding			Less: Amounts Reserved for Debt Service	Total	Percentage of Long -Term Debt to Equalized Value	Equalized Valuation	Net Long-term Debt per Capita	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds						
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
2017	5,405,000	14,745,000	3,930,000	(138,303)	23,941,697	0.93%	2,577,479,900	1,199	19,965

*Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.
 Population 2008, as current 2000 census with estimation, 2005 - 2009 , 2010 U.S. Census, 2017 population figure is an estimate,
 2016 American Community Survey (based on a five-year estimate), www.factfinder2.census.gov*

Village of Germantown, Wisconsin

Table 16

*Direct and Overlapping Governmental Activities Debt
As of December 31, 2017*

Governmental Unit	2017 Equalized Value	Total G.O. Debt Outstanding	Village EV Percentage of District	Village Proportionate Share
Milwaukee Area Technical College	76,548,230,996	106,955,000	3.3671% ¹	3,601,282
Germantown School District	3,455,243,706	96,795,783	74.5962%	72,205,976
Washington County	<u>14,614,348,100</u>	<u>9,350,000</u>	17.6366%	<u>1,649,022</u>
Subtotal, overlapping debt	94,617,822,802	213,100,783	3.01% ²	77,456,280
Village Direct Debt	2,577,479,900	<u>24,111,919</u>	100.000%	<u>24,111,919</u>
Village Debt to Equalized Value		237,212,702	0.94% ³	
Total Direct and overlapping debt				101,568,199
Debt Per Capita Village General Obligation Debt				1,207.71 ⁴
Debt Per Capita Village Share of Overlapping Debt				<u>3,879.60</u>
				5,087.31

Source: Financial Officers of the overlapping School Districts and Counties, Official Statement dated May 11, 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 2017 estimate 19,965, debt per capita.

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

Table 18

Fiscal Year Ended December 31,	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Water Revenue Bonds			Accreted Value	Coverage Expected	Actual Debt Coverage
				Debt Service		Total			
				Principal	Interest				
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
2017	2,502,002	1,177,808	1,324,194	97,348	42,004	139,352	\$ 174,191	1.25	9.50

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

Debt service is for the Water Utility Revenue Bonds only; Sewer Utility is debt-free.

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

Table 19

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income (thous)	Median Age	School Enrollment	Washington County Unemployment Rate
2008	19,650	\$681,757	\$34.695	39.5	3,960	4.30%
2009	19,650	\$681,757	\$34.695	39.5	4,000	8.60%
2010	19,749	\$685,192	\$34.695	41.7	3,961	8.20%
2011	19,772	\$686,049	\$34.698	41.7	4,052	6.10%
2012	19,803	\$708,571	\$35.781	40.2	3,999	6.40%
2013	19,811	\$707,055	\$35.690	41.4	3,987	5.10%
2014	19,891	\$709,512	\$35.670	41.9	3,909	4.30%
2015	19,972	\$725,063	\$36.304	42.0	3,913	3.40%
2016	20,008	\$733,653	\$36.668	42.2	3,895	3.10%
2017	19,965	\$753.020	\$37.717	42.6	3,915	2.20%

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 - WI Dept of Public Instruction, Head Count & Membership

<https://apps4.dpi.wi.gov/sfsdw/MembershipFTEReport.aspx>

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

www.factfinder2.census.gov

2000 & 2010 Census of Population and Housing, and 2016 American Community Survey (based on a 5-year estimate,

U.S. Census Bureau

Village of Germantown, Wisconsin

Table 20

*Principal Employers
Current Year and Nine Years Ago*

Employer	2017			2008		
	² Employees	Rank	Percentage of Total Village Population	¹ Employees	Rank	Percentage of Total Village Population
Waste Management				500	1	2.50%
MGS Mfg	600	1	3.01%	200	8	1.00%
Germantown School District	546	2	2.73%	500	2	2.50%
J.W. Speaker Company	500	3	2.50%	200	7	1.00%
Ellsworth Adhesives	450	4	2.25%			
Village of Germantown	³ 422	5	2.11%			
Walmart				450	3	2.25%
Gehl's Foods	400	6	2.00%			
GKN Sintered Metals	333	7	1.67%	400	4	2.00%
Moldmakers	300	8	1.50%			
David Frank Landscape	300	9	1.50%			
Wago	250	10	1.25%			
Aurora Health Care				250	5	1.25%
West Rock - Tenn (prev. Smurfit)				200	9	1.00%
Airgas Corporation				200	6	1.00%
Mills Fleet Farm				200	10	1.00%
Total	4,101		20.54%	3100		15.50%

4

4

Source:

¹ Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated May 1, 1999, Village of Germantown Chamber of Commerce, 2008

² Taken from Final Official Statement for General Obligation Notes, Dated May 21, 2018 Reference USA, written and telephone survey (February 2018), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development
This does not purport to be a comprehensive list, and is based on available data obtained through a survey of individual employers, as well as identified sources. Some employers do not respond to inquiries.

³ Includes full-time, part-time, and seasonal employment

⁴ Population - Wisconsin Department of Administration, Demographics Services Center, 2008 estimation (20,001), 2017 Estimation (19,965), and 2010 U.S. Census 19,749

Village of Germantown, Wisconsin

Table 21

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	7.20	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety	59.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	61.35
Public Works	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	18.16
Culture & Recreation	24.12	23.12	23.12	23.12	23.12	23.50	23.50	23.50	23.75	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	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Sewer	<u>7.42</u>	<u>7.42</u>	<u>7.42</u>	<u>7.42</u>	<u>7.42</u>	<u>7.82</u>	<u>7.82</u>	<u>7.82</u>	<u>7.82</u>	<u>7.82</u>
Total *	125.25	120.95	120.95	120.95	120.95	121.73	121.73	121.73	121.98	126.98
Total # of W2's	423	400	397	402	399	426	434	467	467	422

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

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

Table 22

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Number of Sworn Officers	31	31	31	31	31	31	31	31	31	32
Number of Citations	2539	2,453	2,823	2,682	3,207	3,150	2,539	2,888	2,538	2,201
Fire										
Number of Employees - Full Time	4	4	4	4	4	4	4	4	4	8
Number of Employees - Part Time	4	4	4	4	4	4	4	4	4	0.5
Number of Employees - Paid on Call	35	35	35	35	35	35	35	38	35	35
Public Works										
Street Surfacing/Sealcoating (miles)	3.65	3.27	2.34	3.89	5.39	2.77	1.83	1.03	6.00	9.00
Asphalt Resurface/Repairs (miles)	0.25	0.00	0.25	0.45	0.95	0.10	0.75	0.42	3.86	2.49
Culture & Recreation										
Parks										
Acreage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library										
Volumes in Collection	139,314	146,685	159,589	176,121	174,269	175,186	154,917*	155,249	149,086	145,823
Volumes in Collection - Digital										215,158
Water and Sewer										
Number of Water Customers	5,469	5,479	5,510	5,238	5,255	5,311	5,359	5,440	5,460	5,484
Average Daily Water Consumption (gallons)	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	1,479,211
Number of Sewer Customers	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696	5,705

* 2014 Library Collections - removed more volumes than usual, back issues of magazines, videos, and more than half of books on cassette
 2017 include Digital Library material

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

Table 23

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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)	129.96	129.96	129.96	129.30	129.58	129.58	129.58	129.69	130.07	130.70
Sidewalks (miles)	19.45	19.45	19.66	19.76	19.76	20.38	20.38	20.48	21.25	22.05
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	7	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	88.55	88.38	88.99	89.152	89.074	89.599	89.600	91.773	92.446
Fire Hydrants	1,125	1,130	1,133	1,142	1,301	1,301	1,308	1,308	1,327	1,335
Sewer										
Sanitary Sewer (miles)	89.05	89.05	89.34	89.50	90.50	93.00	96.00	97.62	99.16	101.83

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

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

Village of Germantown, Wisconsin
Building Permits
Last Ten Fiscal Years

Table 24

Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>No. of All Building Permits</u>										
Including additions & remodeling	539	454	496	432	490	598	607	554	623	654
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	\$ 101,801,123
<u>New Single Family Homes</u>										
No. of building permits	27	15	18	25	24	54	60	40	38	53
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	\$9,401,508
<u>New Multiple Family Buildings</u>										
No. of building permits	2	1	1	0	2	9	2	0	0	2
No. of units	4	2	2	0	4	18	4	0	0	127
Valuation	\$660,000	\$362,000	\$362,000	\$0	\$825,000	\$3,022,250	\$1,080,000	\$0	\$0	\$34,042,000
<u>New Commercial/Industrial Buildings</u>										
No. of building permits	13	2	70	2	7	1	4	6	2	0
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	\$0