

VILLAGE OF GERMANTOWN Comprehensive Annual Financial Report



WISCONSIN

Fiscal Year ending December 31, 2018

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, 2018

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

TABLE OF CONTENTS As of and for the Year Ended December 31, 2018

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - vi
List of Principal Officers	vii
Organizational Chart	vii
Location Map	viii
Certificate of Achievement for Excellence in Financial Reporting	x
History	xi
FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	xii - xiii
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	xiv - xxix
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 - 3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4 - 5
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7 - 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10 - 11
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13 - 14
Statement of Assets and Liabilities - Agency Fund	15
Index to Notes to Financial Statements	16
Notes to Financial Statements	17 - 56

VILLAGE OF GERMANTOWN

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2018

	<u>Page(s)</u>
FINANCIAL SECTION (cont.)	
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
<i>General Fund</i>	
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	57 - 58
Schedule of Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System	59
Schedule of Employer Contributions - Wisconsin Retirement System	59
Notes to Required Supplementary Information	60
<i>SUPPLEMENTARY INFORMATION</i>	
<i>Debt Service Fund</i>	
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	61
<i>Major Capital Projects Funds</i>	
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Capital Projects	62
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - TID No. 4 Capital Projects Fund	63
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - TID No. 8 Capital Projects Fund	64
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet - Nonmajor Governmental Funds	65 - 67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	68 - 70
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget and Actual	
Police Impact Fee Fund	71
Fire Impact Fee Fund	72
Library Impact Fee Fund	73
Park and Recreation Impact Fee Fund	74
Senior Van Replacement Fund	75
Police Asset Forfeiture Fund	76
Police Canine Fund	77
Police Honor Guard Fund	78
Historic Preservation Fund	79
Library Fund	80
Facility Fees Fund	81
TID No. 6 Capital Projects Fund	82
TID No. 7 Capital Projects Fund	83

VILLAGE OF GERMANTOWN

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2018

	<u>Page(s)</u>
FINANCIAL SECTION (cont.)	
SUPPLEMENTARY INFORMATION (cont.)	
Internal Service Funds	
Combining Statement of Net Position - Internal Service Funds	84
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	85
Combining Statement of Cash Flows - Internal Service Funds	86
Fiduciary Funds	
Statement of Changes in Assets and Liabilities - Agency Fund	87
STATISTICAL SECTION	
Table 1 - Statement of Net Position by Component - Last Ten Fiscal Years	88
Table 2 - Changes in Net Position - Last Ten Fiscal Years	89
Table 3 - Fund Balances, Governmental Funds - Last Ten Fiscal Years	90
Table 4 - Changes in Fund Balances, Total Governmental Funds - Last Ten Fiscal Years	91
Table 5 - Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	92
Table 6 - Direct and Overlapping Property Tax Rates (per \$1,000 of assessed value), before State School Credits - Last Ten Fiscal Years	93
Table 7 - Principal Property Tax Payers - Current Year and Nine Years Ago	94
Table 8 - Property Tax Levies and Collections - Last Ten Fiscal Years	95
Table 9 - Water & Wastewater Utility - Customer Count - Last Ten Fiscal Years	96
Table 10 - Water Utility Customer Summary - Last Ten Fiscal Years	97
Table 11 - Water Utility Customer Rates - Last Ten Fiscal Years	98
Table 12 - Wastewater Utility Customer Summary - Last Ten Fiscal Years	99
Table 13 - Wastewater Utility Customer Rates - Last Ten Fiscal Years	100
Table 14 - Ratio of Outstanding Debt - Last Ten Fiscal Years	101
Table 15 - Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	102
Table 16 - Direct and Overlapping Governmental Activities Debt - As of December 31, 2017	103
Table 17 - Legal Debt Margin Information - Last Ten Fiscal Years	104
Table 18 - Pledged - Revenue Coverage - Utility - Last Ten Fiscal Years	105
Table 19 - Demographic and Economic Indicators - Last Ten Fiscal Years	106
Table 20 - Principal Employers - Current Year and Nine Years Ago	107

VILLAGE OF GERMANTOWN

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2018

	<u>Page(s)</u>
STATISTICAL SECTION (cont.)	
Table 21 - Full-time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years	108
Table 22 - Operating Indicators by Function/Program - Last Ten Fiscal Years	109
Table 23 - Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	110
Table 24 - Building Permits - Last Ten Fiscal Years	111



Finance Department
PO Box 337
Germantown WI 53022

June 18, 2019

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, 2018, 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, 2018. 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 2018 estimated population is 20,183. 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 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.

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 2018 unassigned fund balance is 36.17% of the subsequent year's expenditure budget. (\$5.903M 2018 compared to \$5.176M which was 32.77% in 2017). When an unassigned fund balance of the General Fund exceeds 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 \$2.699 billion tax base of equalized value is primarily residential (69.399%) but has a sizeable commercial (19.683%) and manufacturing (8.583%) presence too. The Village had fifteen new single-family housing starts, two new multi-family buildings and six commercial/industrial starts. The total number of permits pulled for 2018 was 745 with a valuation of \$93,333,788.

The Village's overall equalized value increased by 4.71%, following an increase of 3.02% the previous year. The average unemployment rate for Washington county in 2018 was 2.3%, which is lower than the Wisconsin state average of 2.8%. 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 2018 is \$120,720,400. The district will recoup all its expenditures, including future committed development incentive payments following the collection revenues in 2019. The district will also redistribute approximately \$1.3 million back to the overlapping jurisdictions, of which approximately \$382,000 will go to the Village.

Tax Incremental District No. 6 (Willow Creek Business Park) is a Mixed-Use District which means that at least 50% of the area of the real property within the District, is suitable for a combination of industrial and commercial uses. The District is bounded by Appleton Avenue, Lannon Road, and Maple Road. 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, completed construction in 2018. Metro Cigars and Ryan Companies began construction and is estimated to generate about \$9,750,000 of additional value for 2019. It is also estimated that the final lot will have another structure built within a year to add an additional value of \$9,000,000 of valuation in year 2021. The district had started slower than anticipated which may require extending the life of the TID one year longer than its maximum life with a closure in budget year 2036.

Tax Incremental District No. 7 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 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.

In July 2018 the Village of Germantown, with the approval of the Joint Review Board, established Tax Increment District No. 8. The district is an industrial TID, encompassing 224.8 acres which is broken into two development areas, the property controlled by Zilber Property Group (approximately 151.3 acres) and the remaining 73.5 acres to be developed in later phases. The Village anticipates making total project expenditures of approximately \$14.2 million, with completion in phases as development requires.

Based on the anticipated initial development, Zilber Property Group will generate land and improvement values of \$33 million, with an additional development in the remaining 145 acres will lead to another \$55 million over the life of the TID. The Village will have two bond issues in early 2019, a \$6,725,000 G.O. Community Development Bonds and a \$1,755,000 Taxable G.O. Community Development Bond. The taxable issue will reimburse Zilber Property Group to cover their costs for internal infrastructure improvements. The other issue will fund expansion of water and sewer main to the development as well as road reconstruction costs. It is expected that a new well and water tower will be constructed in the area in 2019 or early 2020.

The Water Utility currently operates six wells; three deep wells and three shallow wells; 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 2018 average daily water pumped was 1,925,695 gallons. The village is moving forward with a feasibility study and testing to determine placement of a seventh well and fourth elevated tower. The Water Utility has engaged Baker Tilly to conduct a water rate increase study and submission to the Public Service Commission. Finalization of the process to increase water rates to cover the development of a new well and tower should be in place by the end of 2019 or early 2020.

The Wastewater Utility maintains 103.21 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. Further relining will take place in 2019 – 2020. Wrenwood subdivision, a major housing development proposed for the North East side of the Village will require an extension of interceptor sewer main, with an abandonment and construction of a new lift station in 2019.

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.

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 began 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 condominium component of the Wrenwood residential subdivision (Country Aire Drive @ Mequon Road) is expected to begin construction in 2019 with a total of 44 dwelling units in fifteen 2 and 4-unit buildings. Preliminary subdivision plats have been approved for Heritage Park North (35 single-family lots located at Division Road @ Revere Lane) and Woodland Ponds Estates (12 single-family lots located at Wasaukee Road @ Elm Lane).

Commercial development expected to be completed in 2019 includes a new 5,000 sqft KinderCare facility (Mequon Road @ Division Road) providing daycare and after-school programs, and, The Precinct, a new farm-to-table restaurant located in the old renovated Police Station (Main Street @ Church Street). Waste Management is relocating their truck maintenance facility from Menomonee Falls to Germantown into a new 35,000 sqft facility (County Line Road @ STH 145).

Ryan Companies is expected to begin construction on a second, 199,800 sqft multi-tenant industrial building in TID 6 in 2019.

In TID 8, construction on the 706,800 sqft Briggs & Stratton warehouse facility (Holy Hill Road @ Gateway Crossing) will be completed in 2019 along with two other multi-tenant industrial buildings constructed by the Zilber Property Group/Towne Realty; "Zilber 2" (198,800 sqft) and "Zilber 3" (204,400 sqft). Approval has also been granted for a 100,000 sqft manufacturing facility for Dielectric Corporation (Holy Hill Road @ Goldendale Road)

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, 2017. This is 30 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 on one year only.

Acknowledgments

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

Respectfully submitted,



Kim E. Rath
Finance Director



Steven R. Kreklow
Village Administrator



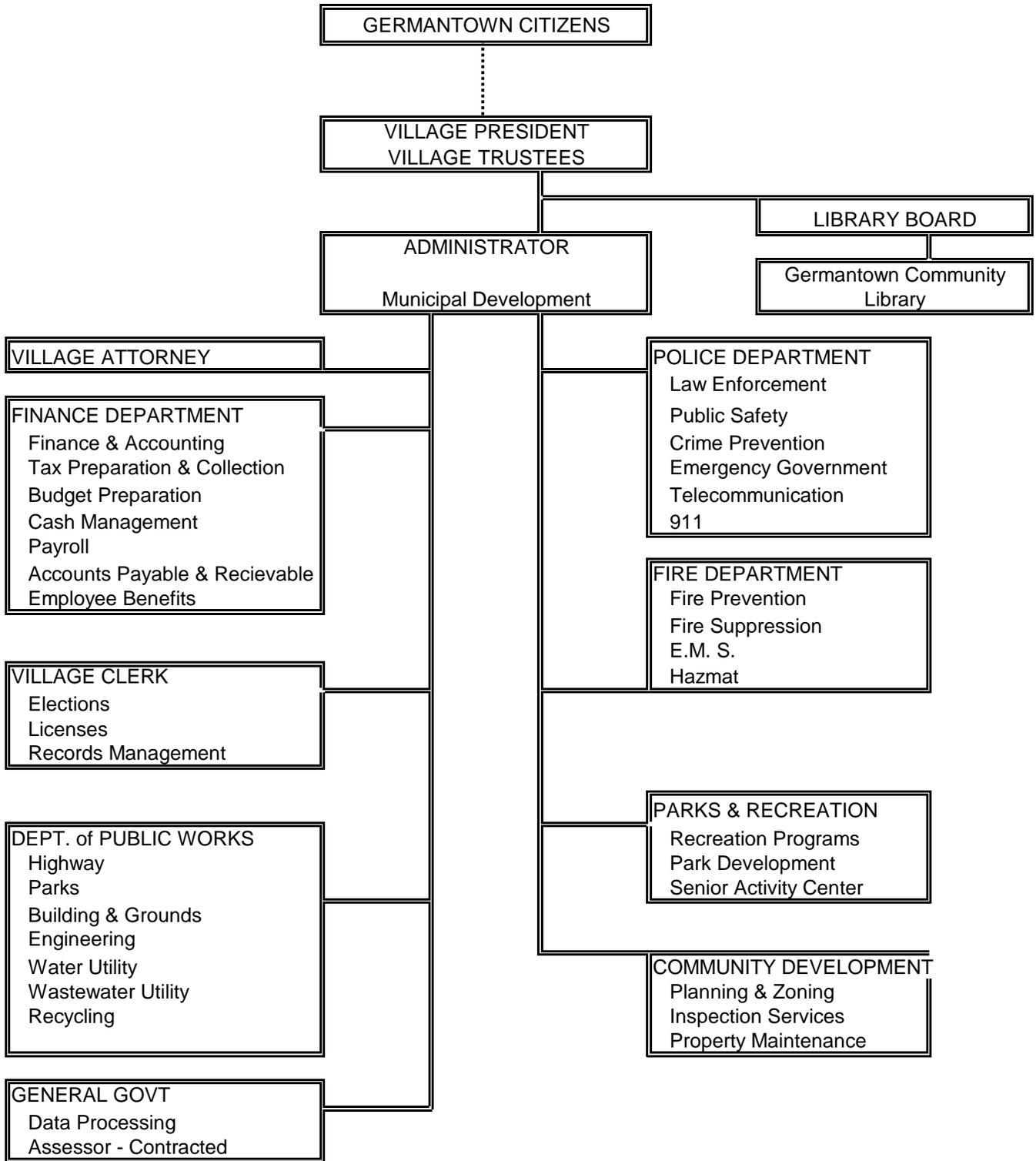
LIST OF PRINCIPAL OFFICIALS as of December 31, 2018
ELECTED OFFICIALS

TITLE	NAME
Village President	Dean Wolter
Village Trustee - District 1	David Baum
Village Trustee - District 1	Terri Kaminski
Village Trustee - District 2	Dan Wing
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

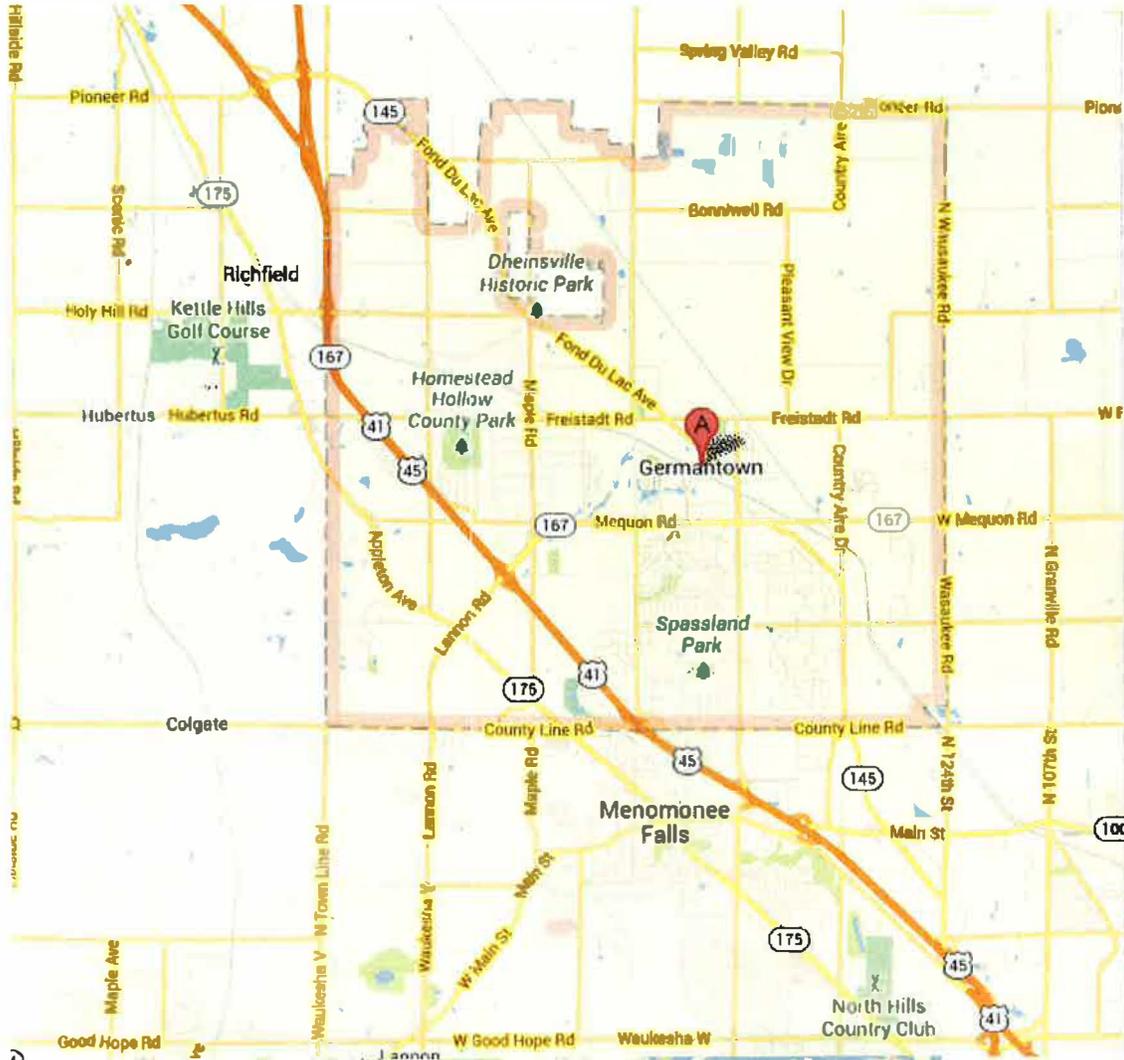
APPOINTED OFFICIALS

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. Braunschweig
Finance Director/Treasurer	Kim E. Rath
Community Development/Planning & Inspection	Jeffrey W. Retzlaff
Director of Public Works	Lawrence Ratayczak
Village Engineer	Eric Nitschke
Police Chief	Peter Hoell
Fire Chief	John Delain
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, 2017

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 20,183. A majority of its residential, commercial and industrial development is concentrated in the suburban-like central-southern half 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. Current extensions of municipal water and sewer main 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 11 March 1927 South Germantown became the Village of Germantown. Eleven citizens of South Germantown had petitioned the Washington County Circuit Court for incorporation of 300 acres in section 22. The petitioners were: Father Banholzer, Adam Diefenthaler, Benn C. Duerrwaechter, Alvin Gronemeyer, Edward Rintelman, Joe Rosecky, Arthur Schmidt, Charles A. Schuster, John A. Schwalbach, Joseph J. Siegl, and Aaron Walterlin. Population of South Germantown, now Germantown, was 243

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

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

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Germantown
Germantown, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of and for the year ended December 31, 2018, 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 accompanying 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 accompanying 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 18, 2019

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2018 (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, 2018. 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, 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 eighteen 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, TID No. 4 and TID No. 8 Capital Projects, which are considered 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's Water and Sewer Utilities are a part of this. The Village also has an internal service fund (the other component of proprietary funds) to report employee 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 16 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 \$144 million as of December 31, 2018. The largest portion of the Village's net position (88%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

Another portion of the Village's net position, (5.62%) represents resources that are subject to external restrictions on how they may be used. Last year's Pension liability became an asset in 2018 since the most recent plan valuation found that plan assets exceeded liabilities. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased \$3.97million over 2017, nearly \$1 million in Governmental Activities and \$2.99 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	
	2017	2018	2017	2018	2017	2018
Assets:						
Capital Assets	76.19	77.32	64.10	66.38	140.29	143.70
Other Assets	29.30	35.54	11.48	12.22	40.78	47.76
Total Assets	105.49	112.86	75.58	78.60	181.07	191.46
Deferred outflows of resources:	3.45	2.94	0.37	0.31	3.82	3.25
Liabilities						
Long-term liabilities	25.85	26.92	1.25	1.12	27.10	28.04
Other liabilities	1.58	4.25	0.71	0.62	2.29	4.87
Total Liabilities	27.43	31.17	1.96	1.74	29.39	32.91
Deferred inflows of resources:	15.29	17.41	0.02	0.33	15.31	17.74
Net Positon:						
Net investment in capital assets	61.32	63.52	62.99	65.36	124.31	127.11
Restricted	3.77	7.10	0.74	0.99	4.51	8.09
Unrestricted (deficit)	1.14	(3.41)	10.11	10.48	11.25	8.84
Total net position	66.23	67.21	73.84	76.83	140.07	144.04

Changes in Net Position

During 2018 the net position of governmental activities increased by \$.977 million to \$67.208 million. Restricted assets include \$4.896 million for four Tax Incremental Financing Districts or TIDs; (TID # 4, TID #6, TID #7 and TID #8), two of which are new districts; #'s 7 & 8. These show an increase over the prior year of \$1.71 million. Restricted assets also include \$0.666 million for Impact Fees and Library Operations. The restricted amount for pensions is \$1.5 million.

Deferred outflows of resources decreased \$1,566,757, a majority of the change is related to pensions and shows as an increase of net position/restricted asset. Increases in the Construction in progress due to TID's 7 and 8 are mostly due to utility infrastructure additions and will be transferred to Business-type activities when complete.

Net position of business-type activities totaled \$76.8 million as of December 31, 2018, \$2.99 million higher than 2017. Net investment in capital assets increased by \$2.37 million. Restricted uses; impact fees, debt service and equipment replacement increased slightly by \$82,246.

Revenues

The Statement of Activities on page two will show that Program Revenues in the Governmental Activities decreased slightly by \$140,045 from 2017 for a total of \$5,013,025. Although *charges for services*, and *operating grants and contributions* increased approximately \$244,000, *capital grants and contributions* were lower. Increased revenues in public safety (driven by inspection services permitting) and in culture, education and recreation (attributed to higher county contributions to our library, and recreation programming), were some of the areas that produced additional revenue. The Business-type activities *charges for services* and *capital grants and contributions* increased slightly \$114,345, for a total of \$12,199,226. 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 and higher impact/connection fee collections. There were total increases in investment income and intergovernmental revenues as well, \$496,237.

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 \$281,977 mostly due to an increase in levied taxes for debt service.

Expenses

Total Expenses of \$29.7 million is an increase of \$1.04 million from 2017. The largest areas of increased expenses was in Business-type Activities (\$420,635) for the Water Utility, related to a major rehabilitation of our Well #3 and watermain extension to Mequon and Country Aire roads and in Governmental Activities (\$550,055); used toward Public Works, specifically capital for outlay for TID's 7 and 8.

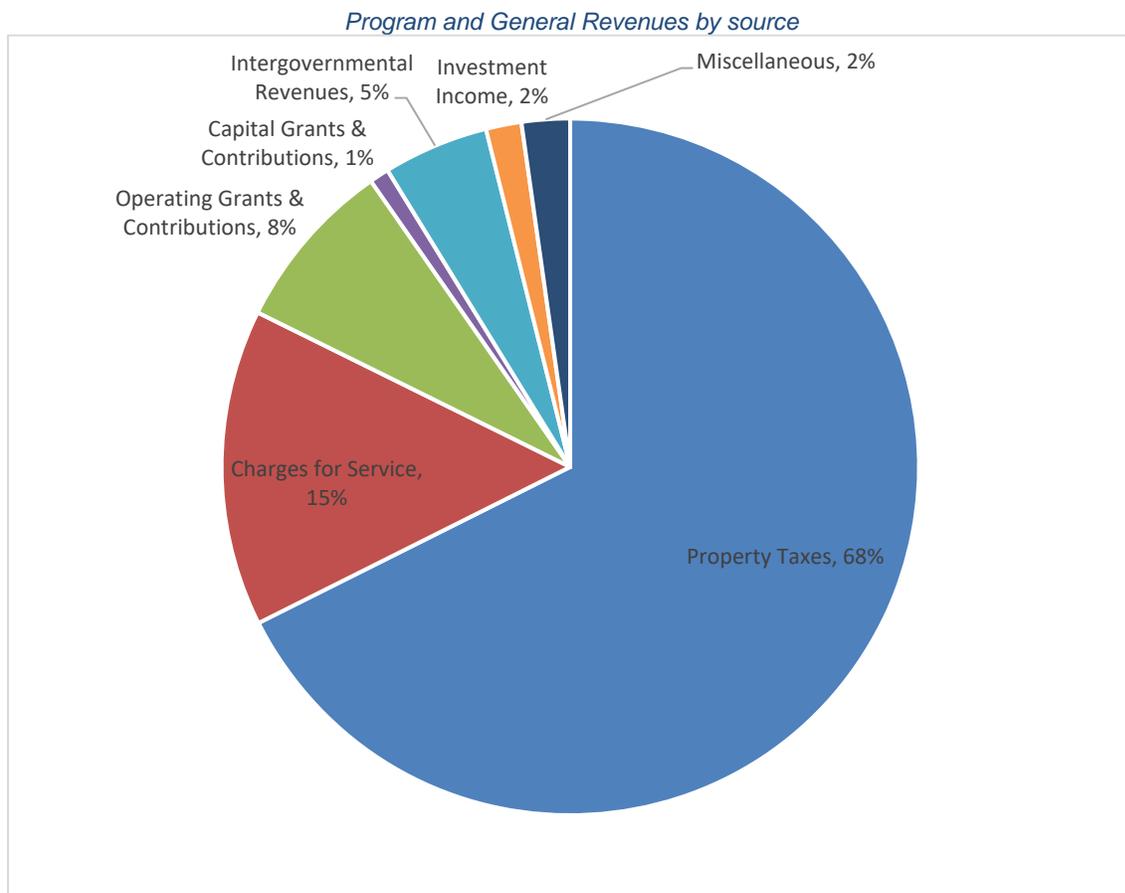
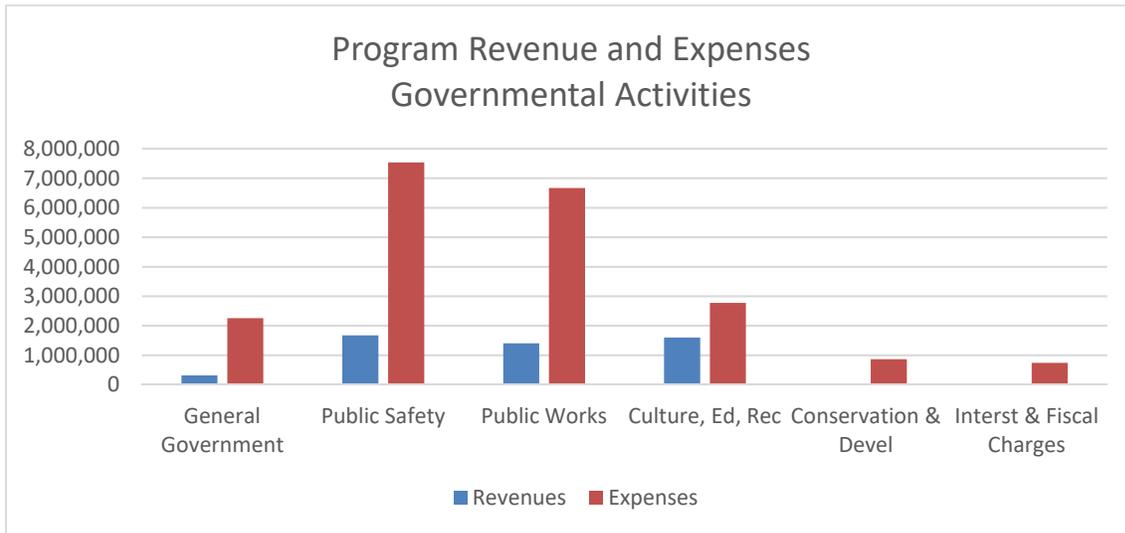
VILLAGE OF GERMANTOWN

Changes in Net Position

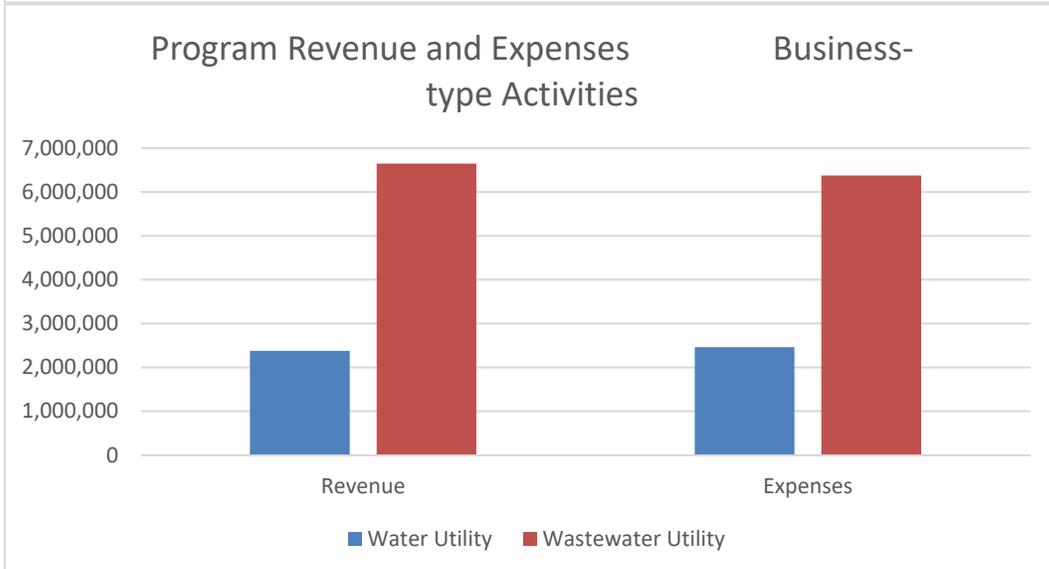
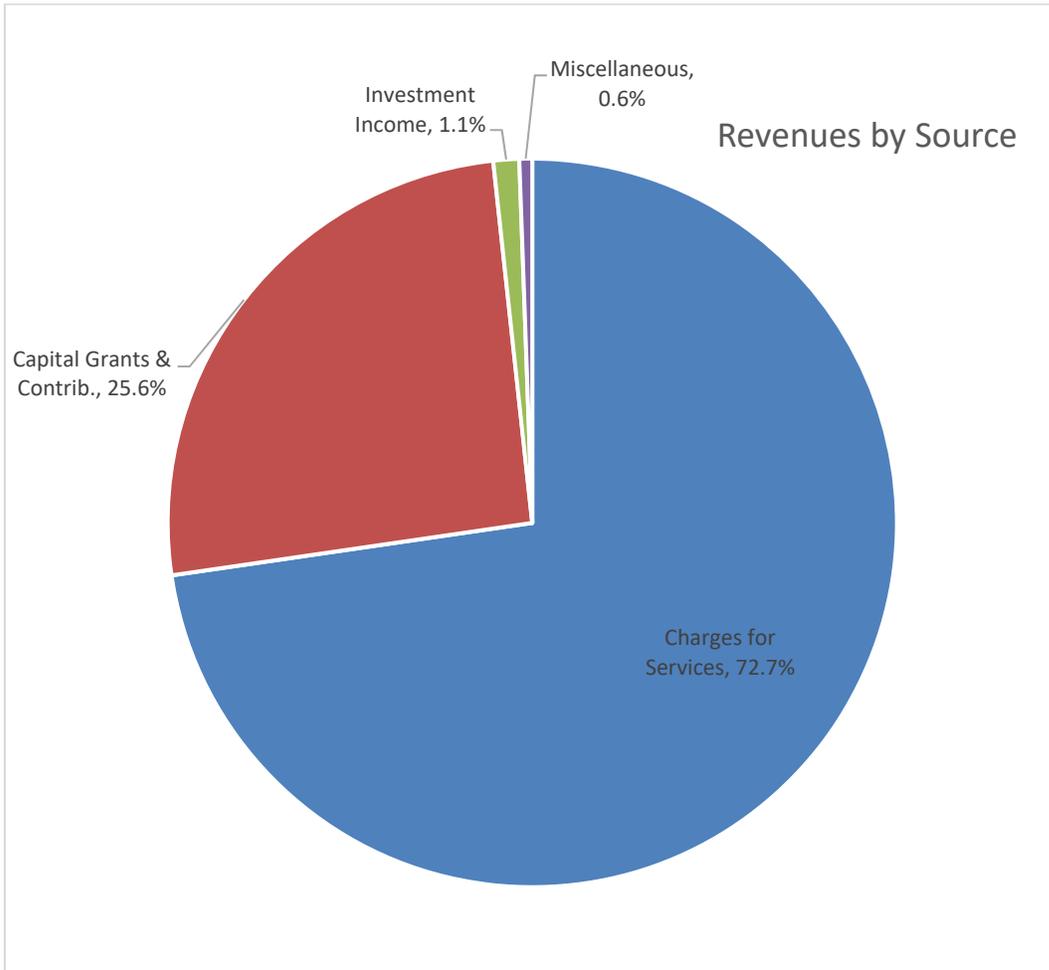
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program Revenues						
Charges for services	3.00	3.12	9.05	9.02	12.05	12.14
Operating grants and contributions	1.58	1.70	-	-	1.58	1.70
Capital grants and contributions	0.58	0.19	2.62	3.18	3.20	3.37
General Revenues:						
Property Taxes	14.07	14.35	-	-	14.07	14.35
Intergovernmental revenues	1.05	1.04	-	-	1.05	1.04
Investment income	0.14	0.35	0.07	0.14	0.21	0.49
Other	0.29	0.48	0.04	0.07	0.33	0.55
Total revenues	20.70	21.23	11.78	12.41	32.49	33.64
Expenses:						
General government	1.94	2.26	-	-	1.94	2.26
Public safety	7.68	7.53	-	-	7.68	7.53
Public works	6.12	6.67	-	-	6.12	6.67
Culture and recreation	3.03	2.77	-	-	3.03	2.77
Conservation and development	0.86	0.87	-	-	0.86	0.87
Interest and fiscal charges	0.62	0.74	-	-	0.62	0.74
Water Utility	-	-	2.04	2.46	2.04	2.46
Sewer Utility	-	-	6.36	6.38	6.36	6.38
Total expenses	20.23	20.83	8.40	8.83	28.63	29.67
Increase (decrease) in net position	0.47	0.39	3.38	3.58	(0.16)	3.97
Transfers	0.55	0.58	(0.55)	(0.58)	-	-
Change in net position	1.02	0.97	2.83	2.99	(0.16)	3.97
Net position, beginning of year, (as restated)	65.21	66.23	71.01	73.84	136.22	140.07
Net Position, end of year	66.23	67.21	73.84	76.83	140.07	144.05

Governmental Funds



Business-Type Activities – Enterprise Funds



Water Utility

The Water Utility reported net operating loss of \$33,811. Revenues were down slightly over 2017 with less water purchased and higher expenses due to major repair and rehabilitation of utility infrastructure. Sales of water was down by \$73,501 and operations and maintenance higher than 2017 by \$361,721. 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 Mequon and Country Aire roads plus Prairie Way loop connection. Capital equipment purchases of water meters for our ongoing replacement program, vehicle replacement, and electric pump motor repair and replacement of Scada equipment. Developer contributions were for watermain extension and hydrant placement for Rainbow Childcare, Discount Ramps, Metro Cigars, Germantown High School's expansion, Speaker Corporation Campus and Ryan Corporation. The ending net position of the Water Utility is \$31.625 million, an increase of \$747,000.

The Village maintains six wells and three water towers within its corporate boundaries. The village has plans to begin construction of a new well and tower in the northern part of the village in 2019. The Village has a Water Impact Fee of \$832 per residential equivalency, charged for new construction. \$61,485 was collected in 2018 from single and multi-family home increases, and new business construction. The impact fees are used to pay for the debt service on the 2009 Safe Drinking Water Loan used for construction of Well #11. A water rate increase study began in fall of 2018 and is planned to be complete late 2019. The increased revenue will cover the costs for the new well and tower and other ongoing infrastructure repair and maintenance needs. 11,381 feet of new water main plus nine new fire hydrants were added in 2018.

Water Utility Activity Summary			
(in millions of dollars)			
	2018	2017	Change
Operating Revenues	\$ 2.376	\$ 2.299	\$ 0.077
Operating expenses	2.409	1.999	\$ 0.410
Operating Income	(0.033)	0.300	(0.333)
Non-operating revenues	0.037	0.017	0.020
Capital Contributions	1.326	0.735	0.591
Transfers out - tax equivalent	(0.583)	(0.552)	(0.031)
Increase in net position	0.747	0.500	0.580
Net Position beginning of the year, as restated	30.878	30.379	0.499
Net position , end of the year	\$ 31.625	\$ 30.878	\$ 0.747

Wastewater Utility (Sewer)

The Wastewater Utility reported an operating income of \$278,646 for 2018. Its overall net position increased by \$2.27 million to end the year at \$45.017 million. Total Operating Revenue was down by \$102,437 compared to 2017 while operating expenses were relatively the same at \$6.37 million. Capital contributions were quite significant at \$1.85 million of which \$450,000 was for sewer connection fees and \$1,400,477 for developer contributions of sewer main and services from Rainbow Child Care, Discount Ramps, Metro Cigars, Germantown High School, Speaker and Ryan Corporation. 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 7,288 feet of sewer main was added to the system.

The Village contracts with Milwaukee Metropolitan Sewerage District for its sewage treatment. Charges from MMSD for treatment and annual capital charge remain the utility's largest expense accounting for 83.51% of the operations and maintenance expense. In 2018 the Village paid \$1.67 million for user charges and \$3.09 million for the annual capital charge. The Capital charge is based on the equalized value of properties within the sewer service area.

Wastewater Utility			
(in millions of dollars)			
	2018	2017	Change
Operating Revenue	\$ 6.646	\$ 6.749	\$ (0.103)
Operating expenses	6.367	6.360	\$ 0.007
Operating Income (loss)	0.279	0.389	(0.110)
Non-operating revenue	0.137	0.052	0.085
Capital Contributions	1.850	1.887	(0.037)
Increase in net position	2.2660	2.328	(0.062)
Net Position beginning of the year, as restated	42.751	40.423	2.328
Net position , end of the year	<u>\$ 45.017</u>	<u>\$ 42.751</u>	<u>\$ 2.266</u>

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, 2018, Village governmental funds reported a combined fund balance of \$14.3 million, \$1.75 million more than the prior year. \$10.67 million is either nonspendable, restricted, committed or assigned. A majority of that is restricted to ongoing capital expenditures and debt service, impact fees or 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 \$1,589,406 in the General fund covers 2018 budget carryovers of \$867,180 for unfinished projects, a Water Utility Payment in Lieu of Taxes (PILOT) of \$582,619, and \$139,607 applied to a subsequent budget expense which is an offset for 2019's Fire Department's staff expansion and restructuring plan. A planned sale of surplus Fire Department equipment will be used to replace the applied balance.

Most of the total fund balance in the Governmental Funds is in the General Fund account, \$7.493 million. The negative balance of \$2.247 million shown in TID. No. 8 Capital Projects Fund is due to the construction costs for expansion of water and sewer main with associated engineering costs that were spent before the needed bond issue was finalized. On February 5, 2019 General Obligation Community Development Bond, Series 2019A for \$6,725,000 and Taxable General Obligation Community Development Bond, Series 2019B for \$1,710,000 was issued to cover those expenditures.

General Fund

The General Fund's net change in fund balance is \$1,340,199, with an ending fund balance of \$7.493 million. After adjusting for non-spendable and assigned portions for the general fund the unassigned fund balance at year end was \$5.902 million, 36.17% of the Village's subsequent year general fund expenditure budget. The ending balance in 2017 was 32.77%. The Village's fund balance policy endeavors to maintain a working capital balance of 16 – 25% of the subsequent years expense budget. The Village will use \$867,180 for 2019 carry over projects and \$139,607 to offset the cost of the expansion and restructuring of the Fire Department. The excess unassigned amount over the 25% policy percentage may be used to offset future borrowing costs of major infrastructure renovations planned in years 2021 and 2023. Renovations to the Public Works Campus and Police Station are two projects being contemplated.

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 78.33% of total revenues. Higher revenues were realized in most of the Village's revenue source categories. Regulations and compliance showed an increase of \$154,710, due in part to permit fees in the building department, \$61,532 in public charges for service from Recreation Department programming and fees charged for ambulance transports. The total amount received in revenue was \$537,517 higher than 2017. Investment income exceeded budget by \$118,657.

General Fund expenditures for 2018 (\$14.977 million) were nearly identical to 2017, a difference of approximately \$30,000. Excess revenues over expenditures at year end were \$807,580. Some of the expenditure variances are part of a planned carryover into 2019 for open projects; Highway and street construction cost for Asphalt Paving (\$423,339); Community Development 2050 Comprehensive Plan \$75,315; Room Tax/Tourism funds of \$155,751; County Library Funding balance of \$31,187; and other smaller projects from Building & Grounds and Parks Department are some specifics. \$50,000 was transferred to TID No. 6 to offset final paving and connection costs to the district. It's expected that the district will positively cash flow within the next two years.

Debt Service Fund

Debt Service Fund has a total fund balance of \$247,137, all of which is restricted for the payment of debt service. The fund balance increased by \$108,834 due to a bid premium deposit from the \$2,795,000 General Obligation Promissory Note Series 2018A dated April 5, 2018. Annual debt service requirements were met primarily by property taxes levied of \$2.71 million and other governmental transfers of \$1.895 million. Expenditures for principal, and interest and fiscal charges totaled \$4,500,517.

General Capital Projects

The General Capital Projects Fund balance of \$3.03 million increased by \$740,063, 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 \$2,795,00 G.O. Promissory Note was issued in April to finance public safety equipment, storm water improvements, road improvements and equipment, playground replacement and partial funding of a Senior passenger van. 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 \$147,934, with a true interest cost of 2.4855%. 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 district will 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 2018 totaled \$195,688. Fund balance at the end of 2018 was \$3.29 million with pending debt service due of \$2.64 million. The original 1994 equalized base value of the park was \$12,957,000, the valuation in 2018 is \$120,720,400. The district will recoup all its expenditures, including future committed development incentive payments following the collection revenues in 2019. The district will also redistribute approximately \$1.3 million back to the overlapping jurisdictions, of which approximately \$382,000 will go to the Village.

TID #8 Capital Projects Fund

Tax Increment District No. 8 was created in July 2018. This industrial TID encompasses 224.8 acres which is broken into two development areas, the property controlled by the Zilber Property Group is approximately 151.3 acres and remaining 73.5 acres will be developed by the Village. The Village anticipates making total expenditures of approximately \$14.2 million to undertake the projects listed in the project plan. The expenditure period of the district is fifteen years. Based on the anticipated initial development proposed by the Zilber Property Group, the village projects land and improvement values of approximately \$33 million will be created in the initial phase, with another \$55 million in development over the life of the TID.

The Tax Increment District is located in the northern section of the village bounded by Holy Hill Road, Goldendale Road, Rockfield Road and US Hwy 41/45. The estimated base value of the district is \$599,500. The project consists of watermain and sewer main extension, site grading, storm water management and road construction. A well, water tower and lift station are also contemplated for later 2019. Zilber Property Group began construction of a 700,000 square foot building for Briggs & Stratton with an estimated value of \$28 million in 2018. The Village spent \$2.285 million for engineering and initial construction costs. A bond issues of \$8.48 million is scheduled for early 2019. Fund balance at year end was (\$2.248) million.

Non-major Governmental Funds

Tax Incremental District No.6, Willow Creek Business Park, was created in 2014 as a mixed-use business park suitable for industrial and commercial purposes. The estimated saleable property consisted of fifty-two acres. The Project Plan included 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. Last year Discount Ramps constructed a 150,000 square foot corporate headquarters and distribution center facility. This year, Metro Cigars and Ryan Companies began construction of their buildings and is estimated to generate about \$9,750,000 of additional value for 2019. It is also estimated that the final lot will have another structure built within a year to add an additional value of \$9,000,000 of valuation in year 2021. The district had started slower than anticipated which may require extending the life of the TID one year longer than its maximum life with a closure in budget year 2036. The Village transferred \$50,000 to the TID to cover the cost final lateral connections and base roadway asphaltting costs. The district will repay the transfer once it begins to cash flow positively which is expected within the next two years. 2017's Tax increment, payable in 2018 was \$3,502, in 2018 the increment was \$76,096.00. Fund balance at year end is \$1,377.

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. 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 with future tax increment. The village initiated the sale of G.O. Obligation Community Development Bond Series 2018B for \$2,480,000 on June 6, 2018. All contemplated construction should be complete by the end of 2019. Fund balance at year end is \$1.602 million.

The Village has eleven Special Revenue funds in the Non-major Governmental Fund section 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 had significant revenue growth due to the residential and commercial activity in 2018 totaling \$137,115. Fire and Library impact fees totaling \$60,000 were used to offset the amount of debt service the village needed in 2018, used toward prior debt issues for a fire station and library.

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. The village replaced a Senior Van in 2018 using \$17,000 from the Senior Van Replacement fund for partial funding leaving a balance of \$25,772 for future needs. \$60,000 was used from the Recreation Facility Fees fund to purchase playground equipment at Rockfield School. Details can be found on pages 70 through 82 in the Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual of Nonmajor Governmental Funds.

Proprietary Funds

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

The Health and Dental Protection Funds are Self-Funded employee insurance plans with Third- Party Administrators. The funds maintained positive cash flow ending the year at \$1.495 million. Health and dental coverage costs are monitored closely and changes to the design and scope of the plan are adjusted accordingly. Employee contributions to the fund averaged 12% of premium cost.

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 86.

CAPITAL ASSETS AND DEBT

Capital Assets

As of December 31, 2018, the Village had \$143.7 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 2018

- Roads \$ 958,589
- Machinery & Equipment \$ 937,377
- Water & Sewer System \$ 3,448,311

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2018	2017	2018	2017
Construction in progress	\$ 1.5	\$ 0.0	0.17	0.1
Land	13.6	13.6	0.18	0.2
Buildings and improvements	8.6	8.5	3.08	3.1
Machinery and equipment	5.4	5.1	2.87	2.9
Infrastructure	<u>48.2</u>	<u>49.0</u>	<u>60.1</u>	<u>57.8</u>
Total Capital Assets	<u>\$ 77.3</u>	<u>\$ 76.2</u>	<u>66.4</u>	<u>64.1</u>

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, 2018, the outstanding debt for long term general obligations, revenue bonds and safe drinking water loans totaled \$26.5 million. Principal paid on outstanding debt totaled \$4 million.

Village of Germantown’s Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation debt	\$ 25,445,000,	\$ 24,080,000		
Revenue Bonds	-	-	\$1,015,697	\$1,114,042
Totals	<u>\$ 25,445,000</u>	<u>\$ 25,130,000</u>	<u>\$1,015,697</u>	<u>\$1,114,042</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, 2018 was \$134,938,830. Total General Obligation debt outstanding was \$25,445,000. Moody’s Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

Long-term Debt Issued 2018

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
04/05/2018	General Obligation Promissory Note 2018A	\$ 2,795,000
Uses	Public Safety Equipment	262,768
	Roadway Design & Improvements, Hwy Equipment	2,272,516
	Recreation/Building & Grounds	259,716
06/06/2019	General Obligation Community Development Bond 2018B	\$ 2,480,000
Uses	T.I.D. No. 7 Utilities & Road Improvement	

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 February 5, 2019, the Village issued \$6,725,000 General Obligation Community Development Bond Series 2019A and \$1,710,000 Taxable General Obligation Community Development Bond Series 2019B with proceeds to be used for Infrastructure needs to facilitate infrastructure development in TID No. 8. Taxable Issue 2019B has a ten-year term with a true interest cost of 3.2632% used to reimburse the developer for internal infrastructure of the Gateway Corporate park.

- > Series 2019A Community Development Bond has a twenty-year term with a true interest rate of 3.1857% used for new water and sewer main relay and other utility infrastructure in TID. No. 8
- > On May 2, 2019, the Village issued a \$3,040,000 General Obligation Promissory Note, Series 2019C for general capital purposes; used include Asphalt paving and road design, major highway vehicles and park structures. The note will mature in 2029 and has a true interest rate of 2.1869%.
- > Moody's Investors Service has maintained its rating of the Village at Aa2.
- > Staff additions for 2019 included Three Fire Department Battalion Chiefs and three full-time Fire Fighter/EMT positions and one full time Planning & Zoning Administration Assistant.
- > The unemployment rate as of December 31, 2018, for Washington County, which includes the village, was 2.3%. This compares with an unemployment rate of 2.8% for the State of Wisconsin and a national unemployment rate of 3.9%.

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, 2018

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 18,271,929	\$ 8,768,154	\$ 27,040,083
Receivables			
Taxes	14,454,099	-	14,454,099
Accounts receivable	615,372	2,493,700	3,109,072
Special assessments	14,056	10,942	24,998
Accrued interest	28,190	15,580	43,770
Internal balances	70,401	(70,401)	-
Prepaid items	892	-	892
Restricted Assets			
Cash and investments	548,175	829,135	1,377,310
Accrued interest	1,306	947	2,253
Net pension asset	1,536,865	168,993	1,705,858
Capital Assets			
Land	13,577,807	175,599	13,753,406
Construction in progress	1,474,967	165,875	1,640,842
Capital assets, net of depreciation	<u>62,263,211</u>	<u>66,036,147</u>	<u>128,299,358</u>
Total Assets	<u>112,857,270</u>	<u>78,594,671</u>	<u>191,451,941</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	86,030	-	86,030
Deferred outflows - pensions	<u>2,851,191</u>	<u>314,320</u>	<u>3,165,511</u>
Total Deferred Outflows of Resources	<u>2,937,221</u>	<u>314,320</u>	<u>3,251,541</u>
LIABILITIES			
Accounts payable and accrued expenses	3,982,350	621,812	4,604,162
Accrued interest	268,125	4,063	272,188
Noncurrent Liabilities			
Due within one year	3,443,469	106,410	3,549,879
Due in more than one year	<u>23,480,433</u>	<u>1,011,476</u>	<u>24,491,909</u>
Total Liabilities	<u>31,174,377</u>	<u>1,743,761</u>	<u>32,918,138</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	14,385,173	-	14,385,173
Deferred inflows - pensions	<u>3,027,035</u>	<u>331,316</u>	<u>3,358,351</u>
Total Deferred Inflows of Resources	<u>17,412,208</u>	<u>331,316</u>	<u>17,743,524</u>
NET POSITION			
Net investment in capital assets	63,517,774	65,361,924	127,106,149
Restricted for			
Impact fees	549,481	327,504	876,985
Library	117,089	-	117,089
Debt service	-	169,267	169,267
Equipment replacement	-	329,248	329,248
TIF purposes	4,895,996	-	4,895,996
Pension	1,536,865	168,993	1,705,858
Unrestricted (deficit)	<u>(3,409,299)</u>	<u>10,476,978</u>	<u>8,841,228</u>
TOTAL NET POSITION	<u>\$ 67,207,906</u>	<u>\$ 76,833,914</u>	<u>\$ 144,041,820</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,256,248	\$ 315,859	\$ -	\$ -
Public safety	7,533,662	1,397,782	199,088	79,146
Public works	6,666,616	200,438	1,149,881	54,813
Culture, education and recreation	2,771,168	1,192,086	350,468	57,969
Conservation and development	866,765	15,495	-	-
Interest and fiscal charges	<u>738,532</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>20,832,991</u>	<u>3,121,660</u>	<u>1,699,437</u>	<u>191,928</u>
Business-type Activities				
Water Utility	2,458,849	2,375,984	-	1,326,323
Sewer Utility	<u>6,375,078</u>	<u>6,646,444</u>	<u>-</u>	<u>1,850,475</u>
Total Business-type Activities	<u>8,833,927</u>	<u>9,022,428</u>	<u>-</u>	<u>3,176,798</u>
Totals	<u>\$ 29,666,918</u>	<u>\$ 12,144,088</u>	<u>\$ 1,699,437</u>	<u>\$ 3,368,726</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for TIF districts

 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

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,940,389)	\$ -	\$ (1,940,389)
(5,857,646)	-	(5,857,646)
(5,261,484)	-	(5,261,484)
(1,170,645)	-	(1,170,645)
(851,270)	-	(851,270)
<u>(738,532)</u>	<u>-</u>	<u>(738,532)</u>
<u>(15,819,966)</u>	<u>-</u>	<u>(15,819,966)</u>
-	1,243,458	1,243,458
<u>-</u>	<u>2,121,841</u>	<u>2,121,841</u>
<u>-</u>	<u>3,365,299</u>	<u>3,365,299</u>
<u>(15,819,966)</u>	<u>3,365,299</u>	<u>(12,454,667)</u>
9,496,539	-	9,496,539
2,706,950	-	2,706,950
1,729,135	-	1,729,135
418,160	-	418,160
1,038,481	-	1,038,481
349,865	141,804	491,669
<u>475,217</u>	<u>70,233</u>	<u>545,450</u>
<u>16,214,347</u>	<u>212,037</u>	<u>16,426,384</u>
<u>582,619</u>	<u>(582,619)</u>	<u>-</u>
977,000	2,994,717	3,971,717
<u>66,230,906</u>	<u>73,839,197</u>	<u>140,070,103</u>
<u>\$ 67,207,906</u>	<u>\$ 76,833,914</u>	<u>\$ 144,041,820</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2018

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
ASSETS				
Cash and investments	\$ 7,848,995	\$ 247,137	\$ 3,398,627	\$ 3,285,969
Receivables				
Taxes	9,640,196	2,767,135	-	1,910,085
Special assessments	14,056	-	-	-
Accounts	615,372	-	-	-
Delinquent taxes	60,587	-	-	-
Accrued interest	11,913	-	3,373	8,933
Due from other funds	823,789	-	-	-
Prepaid items	892	-	-	-
Restricted Assets				
Cash and investments	-	-	-	-
Accrued interest	-	-	-	-
	\$ 19,015,800	\$ 3,014,272	\$ 3,402,000	\$ 5,204,987
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 360,585	\$ -	\$ 367,607	\$ 2,009
Accrued liabilities	323,236	-	-	6
Due to other governments	1,216	-	-	-
Deposits	789,947	-	-	-
Due to other funds	320,712	-	-	-
Total Liabilities	<u>1,795,696</u>	<u>-</u>	<u>367,607</u>	<u>2,015</u>
Deferred Inflows of Resources				
Property taxes levied for subsequent year	9,631,858	2,767,135	-	1,910,084
Unavailable revenues	95,129	-	-	-
Total Deferred Inflows of Resources	<u>9,726,987</u>	<u>2,767,135</u>	<u>-</u>	<u>1,910,084</u>
Fund Balances				
Nonspendable	892	-	-	-
Restricted	-	247,137	1,829,760	3,292,888
Committed	-	-	-	-
Assigned	1,589,406	-	1,204,633	-
Unassigned (deficit)	5,902,819	-	-	-
Total Fund Balances	<u>7,493,117</u>	<u>247,137</u>	<u>3,034,393</u>	<u>3,292,888</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 19,015,800</u>	<u>\$ 3,014,272</u>	<u>\$ 3,402,000</u>	<u>\$ 5,204,987</u>

See accompanying notes to financial statements.

TID No. 8 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ 1,996,346	\$ 16,777,074
-	76,096	14,393,512
-	-	14,056
-	-	615,372
-	-	60,587
-	724	24,943
-	459	824,248
-	-	892
-	548,175	548,175
-	<u>1,306</u>	<u>1,306</u>
<u>\$ -</u>	<u>\$ 2,623,106</u>	<u>\$ 33,260,165</u>
\$ 2,006,696	\$ 39,383	\$ 2,776,280
65	1,019	324,326
-	-	1,216
-	-	789,947
<u>241,170</u>	<u>-</u>	<u>561,882</u>
<u>2,247,931</u>	<u>40,402</u>	<u>4,453,651</u>
-	76,096	14,385,173
-	-	95,129
-	<u>76,096</u>	<u>14,480,302</u>
-	-	892
-	2,269,678	7,639,463
-	236,930	236,930
-	-	2,794,039
<u>(2,247,931)</u>	<u>-</u>	<u>3,654,888</u>
<u>(2,247,931)</u>	<u>2,506,608</u>	<u>14,326,212</u>
<u>\$ -</u>	<u>\$ 2,623,106</u>	<u>\$ 33,260,165</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2018

Total Fund Balances - Governmental Funds	\$ 14,326,212
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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	1,474,967
Other capital assets, net of accumulated depreciation	62,263,211

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.	95,129
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The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	1,536,865
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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.	2,851,191
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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.	(3,027,035)
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Internal service funds are reported in the statement of net position as governmental activities.	1,407,531
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Internal service fund internal receivable between governmental and business-type activities.	(191,975)
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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	(25,445,000)
Capital leases	(31,226)
Compensated absences	(774,901)
Accrued interest	(268,125)
Unamortized debt discount/premium	(672,775)
Unamortized loss on refunding	86,030

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 67,207,906</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, 2018

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
REVENUES				
Taxes	\$ 9,919,478	\$ 2,706,950	\$ -	\$ 1,725,633
Special assessments	4,685	-	-	-
Intergovernmental	2,444,361	-	46,587	124,159
Regulation and compliance	1,260,905	-	-	-
Public charges for services	1,854,964	-	-	-
Investment income	169,357	7,299	72,580	44,943
Miscellaneous	130,726	-	75,804	-
Total Revenues	15,784,476	2,714,249	194,971	1,894,735
EXPENDITURES				
Current				
General government	1,788,157	-	-	-
Public safety	6,774,110	-	-	-
Public works	3,337,652	-	-	-
Culture and recreation	2,716,573	-	-	-
Conservation and development	200,898	-	-	200,752
Capital Outlay	159,506	-	2,255,492	-
Debt Service				
Principal	-	3,910,000	-	-
Interest and fiscal charges	-	590,517	-	-
Debt issuance costs	-	-	65,437	-
Total Expenditures	14,976,896	4,500,517	2,320,929	200,752
Excess (deficiency) of revenues over expenditures	807,580	(1,786,268)	(2,125,958)	1,693,983
OTHER FINANCING SOURCES (USES)				
Proceeds of capital leases	-	-	32,384	-
General obligation debt issued	-	-	2,795,000	-
Premium on debt issued	-	-	169,571	-
Transfers in	582,619	1,895,102	17,000	-
Transfers out	(50,000)	-	(147,934)	(1,484,570)
Total Other Financing Sources (Uses)	532,619	1,895,102	2,866,021	(1,484,570)
Net Change in Fund Balances	1,340,199	108,834	740,063	209,413
FUND BALANCES - Beginning of Year	6,152,918	138,303	2,294,330	3,083,475
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 7,493,117	\$ 247,137	\$ 3,034,393	\$ 3,292,888

See accompanying notes to financial statements.

TID No. 8 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ 3,502	\$ 14,355,563
-	-	4,685
-	4,545	2,619,652
-	-	1,260,905
-	193,419	2,048,383
-	41,416	335,595
<u>37,873</u>	<u>147,112</u>	<u>391,515</u>
<u>37,873</u>	<u>389,994</u>	<u>21,016,298</u>
-	-	1,788,157
-	9,079	6,783,189
-	-	3,337,652
-	82,261	2,798,834
310,298	177,496	889,444
1,975,506	736,075	5,126,579
-	-	3,910,000
-	-	590,517
-	61,703	127,140
<u>2,285,804</u>	<u>1,066,614</u>	<u>25,351,512</u>
<u>(2,247,931)</u>	<u>(676,620)</u>	<u>(4,335,214)</u>
-	-	32,384
-	2,480,000	5,275,000
-	27,905	197,476
-	50,000	2,544,721
-	(279,598)	(1,962,102)
-	<u>2,278,307</u>	<u>6,087,479</u>
(2,247,931)	1,601,687	1,752,265
-	<u>904,921</u>	<u>12,573,947</u>
<u>\$ (2,247,931)</u>	<u>\$ 2,506,608</u>	<u>\$ 14,326,212</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, 2018

Net change in fund balances - total governmental funds	\$	1,752,265
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		5,126,579
Some items reported as capital outlay were not capitalized		(1,016,833)
Depreciation is reported in the government-wide financial statements		(2,775,448)
Net book value of assets retired		(212,227)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments		(4,872)
Delinquent taxes		(3,842)
Miscellaneous recreation receivables		5,839

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued		(5,275,000)
Principal repaid		3,910,000
Capital lease issued		(32,384)
Capital lease repaid		33,076

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

Premium on debt issued		(197,476)
Amortization of debt discount/premium		75,749
Amortization of loss on refunding		(39,915)

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

Compensated absences		(21,852)
Accrued interest on debt		(56,708)
Net pension liability/asset		1,969,299
Deferred outflows of resources related to pensions		(477,808)
Deferred inflows of resources related to pensions		(1,673,074)

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

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>977,000</u>
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See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
ASSETS				
Current Assets				
Cash and investments	\$ 1,276,527	\$ 7,043,586	\$ 8,320,113	\$ 1,494,855
Accounts receivable	506,664	1,987,036	2,493,700	-
Accrued interest	2,840	12,740	15,580	3,247
Due from other funds	206,750	184,955	391,705	-
Restricted Assets				
Redemption account	32,740	-	32,740	-
Total Current Assets	2,025,521	9,228,317	11,253,838	1,498,102
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	50,590	-	50,590	-
Replacement account	-	329,248	329,248	-
Impact fee account	326,557	-	326,557	-
Accrued interest receivable	947	-	947	-
Net pension asset	87,498	81,495	168,993	-
Capital Assets				
Plant in service	43,353,208	50,973,825	94,327,033	-
Land	140,450	35,149	175,599	-
Construction in progress	107,945	57,930	165,875	-
Less: Accumulated depreciation	(12,825,363)	(15,465,523)	(28,290,886)	-
Other Assets				
Vehicle replacement account	-	448,041	448,041	-
Special assessments receivable	10,942	-	10,942	-
Total Noncurrent Assets	31,342,774	36,460,165	67,802,939	-
Total Assets	33,368,295	45,688,482	79,056,777	1,498,102
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	163,408	150,912	314,320	-
Total Deferred Outflows of Resources	163,408	150,912	314,320	-

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 79,472	\$ 517,148	\$ 596,620	\$ 90,571
Due to other funds	582,619	71,462	654,081	-
Accrued wages	14,498	10,694	25,192	-
Current portion of compensated absences	775	1,267	2,042	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	104,368	-	104,368	-
Accrued interest payable	4,063	-	4,063	-
Total Current Liabilities	<u>785,795</u>	<u>600,571</u>	<u>1,386,366</u>	<u>90,571</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	911,329	-	911,329	-
Other Liabilities				
Compensated absences	37,986	62,161	100,147	-
Total Noncurrent Liabilities	<u>949,315</u>	<u>62,161</u>	<u>1,011,476</u>	<u>-</u>
Total Liabilities	<u>1,735,110</u>	<u>662,732</u>	<u>2,397,842</u>	<u>90,571</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	<u>171,415</u>	<u>159,901</u>	<u>331,316</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>171,415</u>	<u>159,901</u>	<u>331,316</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	29,760,543	35,601,381	65,361,924	-
Restricted for				
Impact fees	327,504	-	327,504	-
Debt service	169,267	-	169,267	-
Equipment replacement	-	329,248	329,248	-
Pension	87,498	81,495	168,993	-
Unrestricted	<u>1,280,366</u>	<u>9,004,637</u>	<u>10,285,003</u>	<u>1,407,531</u>
TOTAL NET POSITION	<u>\$ 31,625,178</u>	<u>\$ 45,016,761</u>	76,641,939	<u>\$ 1,407,531</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>191,975</u>	
NET POSITION BUSINESS-TYPE ACTIVITIES			<u>\$ 76,833,914</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, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for services	\$ -	\$ 6,602,011	\$ 6,602,011	\$ -
Sale of water	2,317,394	-	2,317,394	-
Other	<u>58,590</u>	<u>44,433</u>	<u>103,023</u>	<u>1,647,959</u>
Total Operating Revenues	<u>2,375,984</u>	<u>6,646,444</u>	<u>9,022,428</u>	<u>1,647,959</u>
OPERATING EXPENSES				
Operation and maintenance	1,539,529	5,703,482	7,243,011	1,787,840
Depreciation	<u>870,266</u>	<u>664,316</u>	<u>1,534,582</u>	<u>-</u>
Total Operating Expenses	<u>2,409,795</u>	<u>6,367,798</u>	<u>8,777,593</u>	<u>1,787,840</u>
Operating Income (Loss)	<u>(33,811)</u>	<u>278,646</u>	<u>244,835</u>	<u>(139,881)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	31,844	109,960	141,804	13,333
Miscellaneous	43,378	26,856	70,234	-
Interest expense	<u>(38,155)</u>	<u>-</u>	<u>(38,155)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>37,067</u>	<u>136,816</u>	<u>173,883</u>	<u>13,333</u>
Income (Loss) Before Contributions and Transfers	<u>3,256</u>	<u>415,462</u>	<u>418,718</u>	<u>(126,548)</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	1,326,323	1,850,475	3,176,798	-
Transfers out - tax equivalent	<u>(582,619)</u>	<u>-</u>	<u>(582,619)</u>	<u>-</u>
Total Contributions and Transfers	<u>743,704</u>	<u>1,850,475</u>	<u>2,594,179</u>	<u>-</u>
Change in Net Position	746,960	2,265,937	3,012,897	(126,548)
NET POSITION - Beginning of Year	<u>30,878,218</u>	<u>42,750,824</u>	<u>73,629,042</u>	<u>1,534,079</u>
NET POSITION- END OF YEAR	<u>\$ 31,625,178</u>	<u>\$ 45,016,761</u>	76,641,939	<u>\$ 1,407,531</u>
Change in Net Position of Proprietary Funds			3,012,897	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>(18,180)</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 2,994,717</u>	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2018

	<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	\$ 1,776,605	\$ 6,532,379	\$ 8,308,984	\$ -
Received from other funds for services	537,429	-	537,429	1,649,261
Paid to suppliers for goods and services	(1,094,971)	(5,381,180)	(6,476,151)	(1,848,103)
Paid to employees for services	(488,178)	(437,779)	(925,957)	-
Net Cash Flows From Operating Activities	<u>730,885</u>	<u>713,420</u>	<u>1,444,305</u>	<u>(198,842)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	34,579	112,295	146,874	12,962
Investments purchased	(335,201)	(770,162)	(1,105,363)	-
Investments sold and matured	<u>1,066,030</u>	<u>868,379</u>	<u>1,934,409</u>	<u>-</u>
Net Cash Flows From Investing Activities	<u>765,408</u>	<u>210,512</u>	<u>975,920</u>	<u>12,962</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	<u>(551,794)</u>	<u>-</u>	<u>(551,794)</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>(551,794)</u>	<u>-</u>	<u>(551,794)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,031,590)	(295,622)	(1,327,212)	-
Capital contributions received	61,485	449,998	511,483	-
Special assessments received	1,386	-	1,386	-
Debt retired	(98,345)	-	(98,345)	-
Interest paid	<u>(38,534)</u>	<u>-</u>	<u>(38,534)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(1,105,598)</u>	<u>154,376</u>	<u>(951,222)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(161,099)	1,078,308	917,209	(185,880)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>752,671</u>	<u>3,691,010</u>	<u>4,443,681</u>	<u>1,680,735</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 591,572</u>	<u>\$ 4,769,318</u>	<u>\$ 5,360,890</u>	<u>\$ 1,494,855</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 (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (33,811)	\$ 278,646	\$ 244,835	\$ (139,881)
Nonoperating revenue	43,378	26,856	70,234	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	870,266	664,316	1,534,582	-
Depreciation charged to other funds	46,288	-	46,288	-
Changes in assets, deferred inflows/outflows of resources, and liabilities				
Accounts receivable	(28,154)	46,327	18,173	1,302
Due from other funds	(123,462)	(187,248)	(310,710)	-
Accounts payable	(58,180)	106,420	48,240	(60,263)
Due to other funds	-	(240,680)	(240,680)	-
Other current liabilities	3,108	342	3,450	-
Accrued sick leave	1,609	7,763	9,372	-
Pension related deferrals and liabilities	9,843	10,678	20,521	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 730,885</u>	<u>\$ 713,420</u>	<u>\$ 1,444,305</u>	<u>\$ (198,842)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments	\$ 1,276,527	\$ 7,043,583	\$ 8,320,110	\$ 1,494,855
Restricted cash and investments	499,887	329,248	829,135	-
Vehicle replacement account	-	448,041	448,041	-
Total Cash and Investments	1,776,414	7,820,872	9,597,286	1,494,855
Less: Noncash equivalents	<u>(1,184,842)</u>	<u>(3,051,554)</u>	<u>(4,236,396)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 591,572</u>	<u>\$ 4,769,318</u>	<u>\$ 5,360,890</u>	<u>\$ 1,494,855</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	<u>\$ 1,264,838</u>	<u>\$ 1,400,477</u>		

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2018

	<u>Agency Fund</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 20,227,404
Tax roll receivable	<u>13,261,628</u>
TOTAL ASSETS	<u>\$ 33,489,032</u>
LIABILITIES	
Accounts payable	\$ 38,897
Due to other governments	<u>33,450,135</u>
TOTAL LIABILITIES	<u>\$ 33,489,032</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE	Page
I Summary of Significant Accounting Policies	17
A. Reporting Entity	17
B. Government-Wide and Fund Financial Statements	17
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	20
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	21
1. Deposits and Investments	21
2. Receivables	23
3. Prepaid Items	23
4. Restricted Assets	23
5. Capital Assets	24
6. Deferred Outflows of Resources	25
7. Compensated Absences	25
8. Long-Term Obligations/Conduit Debt	26
9. Deferred Inflows of Resources	26
10. Equity Classifications	27
11. Pension	28
12. Basis for Existing Rates	29
II Stewardship, Compliance, and Accountability	29
A. Excess Expenditures and Other Financing Uses Over Appropriations	29
B. Deficit Balances	29
C. Limitations on the Village's Tax Levy	30
III Detailed Notes on All Funds	30
A. Deposits and Investments	30
B. Receivables	33
C. Restricted Assets	34
D. Capital Assets	35
E. Interfund Receivables/Payables and Transfers	38
F. Long-Term Obligations	40
H. Net Position/Fund Balances	45
IV Other Information	48
A. Employees' Retirement System	48
B. Risk Management	54
C. Commitments and Contingencies	55
D. Subsequent Events	55
E. Tax Abatement	56
F. Effect of New Accounting Standards on Current-Period Financial Statements	56

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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, 2018

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.
- Tax Incremental District (TID) No. 8 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, 2018

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, 2018

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, 2018

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.
- 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, 2018

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, 2018, 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, 2018

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 - 2018 tax roll:

Lien date and levy date	December 2018
Tax bills mailed	December 2018
Payment in full, or	January 31, 2019
First installment due	January 31, 2019
Second installment due	July 31, 2019
Personal property taxes in full	January 31, 2019
Tax sale - 2018 delinquent real estate taxes	October 2021

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

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

3. Prepaid Items

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

4. Restricted Assets

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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.)

6. 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.

7. Compensated Absences

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

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Employees who retire and are eligible to draw a Wisconsin Retirement Annuity will have 50%, or other collectively bargained percentage, of their unused accumulated sick leave converted into dollars at the time of their retirement and forwarded to ICMA Retirement Corporation to open a VantageCare Retirement Health Savings Plan (RHS). The RHS is a tax-advantaged investment plan dedicated to funding health care costs. The employee has ownership of the funds and may use the dollars to remain on the village health care plan until age 65. Funding for the RHS contribution are provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. The total expenditure for the year was \$27,591.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2018, are determined on the basis of current salary rates and include salary related payments.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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.)

8. Long-Term Obligations/Conduit Debt

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$39,306,019, made up of 10 issues.

9. 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, 2018

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.)

10. 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	\$ 63,517,774	\$ 65,361,924	\$ (1,773,549)	\$127,106,149
Unrestricted (deficit)	(3,409,299)	10,476,978	1,773,549	8,841,228

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

Fund Statements

Governmental fund balances are displayed as follows:

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

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

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

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

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 16-25% of the village's subsequent year general fund expenditure budget. The balance at year-end was \$5,902,819, or 36%, and is included in unassigned general fund balance.

See Note III. H. for further information.

11. Pension

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

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

12. Basis for Existing Rates

Water Utility

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

Sewer Utility

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Debt Service Fund	\$ 4,482,632	\$ 4,500,517	\$ 17,885
TID No. 4 Capital Projects	1,676,124	1,685,322	9,198
Library Fund	-	4,418	4,418
Facility Fees Fund	33,000	77,166	44,166
Historic Preservation Fund	100	677	577
Police Canine Fund	4,000	5,992	1,992

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

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. TID No. 8 capital projects fund had a deficit fund balance of \$2,247,931 due to expenditures made prior to issuance of long-term debt financing, which was issued in 2019.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

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.

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	\$ 13,454,789	\$ 13,671,809	Custodial Credit
U.S. agencies - implicitly guaranteed	6,550,528	6,550,528	Custodial Credit, Interest Rate, Credit, Concentration of Credit
US treasuries	207,104	207,104	Custodial Credit, Interest Rate
Municipal bonds	69,871	69,871	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	23,407,727	23,374,987	Credit
Negotiable certificates of deposit	4,952,588	4,952,588	Custodial Credit Risk, Credit, Concentration of Credit, Interest Rate
Petty cash	2,190	-	N/A
Total Deposits and Investments	\$ 48,644,797	\$ 48,826,887	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 27,040,083		
Restricted cash and investments	1,377,310		
Per statement of assets and liabilities - agency fund			
Agency Fund	20,227,404		
Total Deposits and Investments	\$ 48,644,797		

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

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

The village maintains collateral agreements with its banks. At December 31, 2018, 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 method used for negotiable CDs, U.S. agencies, and municipal bonds is quoted market value prices for similar investments.

	December 31, 2018			
Investment Type	Level 1	Level 2	Level 3	Total
U.S. agencies - implicitly guaranteed	\$ -	\$ 6,550,528	\$ -	\$ 6,550,528
Municipal bonds	-	69,871	-	69,871
Negotiable certificates of deposit	-	4,952,588	-	4,952,588
U.S. treasuries	-	207,104	-	207,104
Total	\$ -	\$ 11,780,091	\$ -	\$ 11,780,091

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

As of December 31, 2018, \$78,935 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>78,935</u>
Total	\$ <u><u>78,935</u></u>

Investments

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

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

Credit Risk

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

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

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, 2018, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Farm CR BKS	U.S. agencies - implicitly guaranteed	5.31%
Federal Natl Mtg Assn	U.S. agencies - implicitly guaranteed	6.18%

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

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

As of December 31, 2018, 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 - implicitly guaranteed	\$ 6,550,528	\$ 1,568,652	\$ 4,981,876	\$ -
U.S. treasuries	207,104	-	207,104	-
Municipal Bonds	69,871	-	69,871	-
Negotiable certificates of deposit	<u>4,952,588</u>	<u>2,053,528</u>	<u>2,899,060</u>	-
Totals	<u>\$ 11,780,091</u>	<u>\$ 3,622,180</u>	<u>\$ 8,157,911</u>	<u>\$ -</u>

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:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 14,385,173	\$ -
Delinquent property taxes receivable	-	60,587
Special assessments not yet due	-	19,491
Parks and recreation	-	<u>15,051</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 14,385,173</u>	<u>\$ 95,129</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

Impact Fee Account

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

Net Pension Asset

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2018:

	Restricted Assets
Governmental Activities	
Cash and investments	\$ 548,175
Accrued interest	1,306
Net pension asset	1,536,865
Business-type Activities	
Water impact fees	326,557
Accrued interest	947
Sewer equipment replacement account	329,248
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	50,590
Net pension asset	168,993
Total	\$ 3,085,421

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, 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	44,188	1,474,967	44,188	1,474,967
Total Capital Assets Not Being Depreciated	13,621,995	1,474,967	44,188	15,052,774
Capital assets being depreciated				
Buildings and improvements	\$ 16,477,248	\$ 603,505	\$ 52,960	\$ 17,027,793
Machinery and equipment	11,826,038	937,377	768,351	11,995,064
Roads	51,761,298	958,589	337,505	52,382,382
Storm sewers	21,295,832	117,074	23,030	21,389,876
Street lighting	3,113,917	11,078	-	3,124,995
Bridges	7,197,742	51,344	3,317	7,245,769
Total Capital Assets Being Depreciated	111,672,075	2,678,967	1,185,163	113,165,879
Total Capital Assets	125,294,070	4,153,934	1,229,351	128,218,653

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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	\$ (7,963,287)	\$ (496,010)	\$ 52,960	\$ (8,406,337)
Machinery and equipment	(6,767,931)	(577,477)	730,867	(6,614,541)
Roads	(17,608,623)	(1,048,083)	184,088	(18,472,618)
Storm sewers	(11,470,966)	(426,857)	1,705	(11,896,118)
Street lighting	(2,254,590)	(84,451)	-	(2,339,041)
Bridges	(3,034,759)	(142,570)	3,316	(3,174,013)
Total Accumulated Depreciation	(49,100,156)	(2,775,448)	972,936	(50,902,668)
Net Capital Assets Being Depreciated	62,571,919	(96,481)	212,227	62,263,211
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 76,193,914	\$ 1,378,486	\$ 256,415	\$ 77,315,985

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 81,776
Public safety	537,199
Public works, which includes the depreciation of infrastructure	1,925,305
Leisure activities	231,168
Total Governmental Activities Depreciation Expense	\$ 2,775,448

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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>107,144</u>	<u>58,731</u>	<u>-</u>	<u>165,875</u>
Total Capital Assets Not Being Depreciated	<u>282,743</u>	<u>58,731</u>	<u>-</u>	<u>341,474</u>
Capital assets being depreciated				
Buildings and improvements	4,298,024	43,139	13,767	4,327,396
Machinery and equipment	6,308,636	305,115	236,379	6,377,372
Sewer system	44,159,436	1,395,359	-	45,554,795
Water system	<u>36,069,067</u>	<u>2,052,952</u>	<u>54,549</u>	<u>38,067,470</u>
Total Capital Assets Being Depreciated	<u>90,835,163</u>	<u>3,796,565</u>	<u>304,695</u>	<u>94,327,033</u>
Total Capital Assets	<u>91,117,906</u>	<u>3,855,296</u>	<u>304,695</u>	<u>94,668,507</u>
Less: Accumulated depreciation for				
Buildings and improvements	(1,137,573)	(125,636)	13,767	(1,249,442)
Machinery and equipment	(3,421,548)	(326,447)	236,379	(3,511,616)
Sewer system	(13,032,717)	(470,007)	-	(13,502,724)
Water system	<u>(9,422,873)</u>	<u>(658,780)</u>	<u>54,549</u>	<u>(10,027,104)</u>
Total Accumulated Depreciation	<u>(27,014,711)</u>	<u>(1,580,870)</u>	<u>304,695</u>	<u>(28,290,886)</u>
Net Capital Assets Being Depreciated	<u>63,820,452</u>	<u>2,215,695</u>	<u>-</u>	<u>66,036,147</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 64,103,195</u>	<u>\$ 2,274,426</u>	<u>\$ -</u>	<u>\$ 66,377,621</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 870,266
Sewer	<u>664,316</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,534,582</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, 2018

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	TID No. 8 capital projects	\$ 241,170
General fund	Water utility	582,619
Water utility	Sewer utility	71,462
Water utility	General fund	135,288
Sewer utility	General fund	184,955
Nonmajor governmental funds	General fund	<u>469</u>
Total - Fund Financial Statements		1,215,963
Less: Fund eliminations		(313,101)
Less: Interfund receivables created with internal service fund eliminations		(191,975)
Less: Government-wide eliminations		<u>(640,486)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 70,401</u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 582,619
Business-type Activities	Governmental Activities	<u>(512,218)</u>
Total Government-Wide Financial Statements		<u>\$ 70,401</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, 2018

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	\$ 262,598	Debt service
Debt service fund	General capital projects	147,934	Debt Service
Debt service fund	TID No. 4 capital projects fund	1,484,570	Debt service
General capital projects	Nonmajor governmental funds	17,000	Impact fees
General fund	Water utility	582,619	Payment in lieu of taxes
Nonmajor governmental funds	General fund	<u>50,000</u>	TIF support payment
Total - Fund Financial Statements		2,544,721	
Less: Fund eliminations		<u>(1,962,102)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 582,619</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, 2018

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 24,080,000	\$ 5,275,000	\$ 3,910,000	\$ 25,445,000	\$ 3,420,000
(Discounts)/Premiums	<u>551,048</u>	<u>197,476</u>	<u>75,749</u>	<u>672,775</u>	<u>-</u>
Sub-totals	<u>24,631,048</u>	<u>5,472,476</u>	<u>3,985,749</u>	<u>26,117,775</u>	<u>3,420,000</u>
Other Liabilities					
Vested compensated absences	753,049	36,275	14,423	774,901	15,322
Capital leases	<u>31,919</u>	<u>32,384</u>	<u>33,076</u>	<u>31,227</u>	<u>8,147</u>
Total Other Liabilities	<u>784,968</u>	<u>68,659</u>	<u>47,499</u>	<u>806,128</u>	<u>23,469</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 25,416,016</u>	<u>\$ 5,541,135</u>	<u>\$ 4,033,248</u>	<u>\$ 26,923,903</u>	<u>\$ 3,443,469</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 1,114,042	\$ -	\$ 98,345	\$ 1,015,697	\$ 104,368
Sub-totals	<u>1,114,042</u>	<u>-</u>	<u>98,345</u>	<u>1,015,697</u>	<u>104,368</u>
Other Liabilities					
Vested compensated absences	92,817	91,409	82,037	102,189	2,042
Total Other Liabilities	<u>92,817</u>	<u>91,409</u>	<u>82,037</u>	<u>102,189</u>	<u>2,042</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,206,859</u>	<u>\$ 91,409</u>	<u>\$ 180,382</u>	<u>\$ 1,117,886</u>	<u>\$ 106,410</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, 2018, was \$134,938,830. Total general obligation debt outstanding at year end was \$25,445,000.

In addition to the liabilities above, information on the net pension liability (asset) is provided in Note IV.A.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2018</u>
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	\$ 3,905,000	\$ 1,375,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	750,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.35%	805,000	120,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	1,105,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.25 - 1.75%	3,085,000	1,175,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	955,000
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	1,710,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	1,065,000	360,000
GO Promissory Note	3/24/2015	2025	2.00%	2,655,000	1,860,000
GO Promissory Note	5/11/2016	2026	2.00%	2,670,000	2,130,000
GO Promissory Note	5/11/2016	2021	2.00%	1,150,000	705,000
GO Promissory Note	3/29/2017	2027	2.00 - 2.55%	2,805,000	2,520,000
GO Promissory Note	4/5/2018	2028	2.4855%	2,795,000	2,795,000
GO Community Development Bonds - TID No. 7	6/6/2018	2033	3.0764%	2,480,000	<u>2,480,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 25,445,000</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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
2019	\$ 3,420,000	\$ 693,336
2020	3,505,000	564,601
2021	3,490,000	477,961
2022	2,230,000	406,728
2023	1,985,000	351,732
2024-2028	6,755,000	1,079,605
2029-2033	3,605,000	382,559
2034	455,000	7,963
Totals	<u>\$ 25,445,000</u>	<u>\$ 3,964,485</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 5.55% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,185,343. Principal and interest paid for the current year and total customer gross revenues were \$136,879 and \$2,512,691, respectively.

Revenue debt payable at December 31, 2018, consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2018
<u>Water Utility</u>					
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	\$ 1,130,000	\$ 520,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	<u>495,697</u>
Total Business-type Activities - Revenue Debt					<u>\$ 1,015,697</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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
2019	\$ 104,368	\$ 35,008
2020	110,418	31,213
2021	111,497	27,145
2022	117,604	23,049
2023	118,741	18,709
2024-2028	401,843	33,839
2029	<u>51,226</u>	<u>683</u>
Totals	<u>\$ 1,015,697</u>	<u>\$ 169,646</u>

Other Debt Information

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures

Insurance

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

The utility is covered under the following insurance policies at Monday, December 31, 2018:

Type	Coverage	Expiration
General Liability	\$ 4,000,000	1/1/2019
Automobile	2,000,000	1/1/2019
Workers Compensation	500,000	1/1/2019
Property	100,000,000	1/1/2019

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 2018 as follows:

Operating revenues	\$ 2,375,984
Investment income	31,844
Miscellaneous nonoperating income	43,378
Impact fees	61,485
Less: Operation and maintenance expenses	<u>(1,539,529)</u>
Net Defined Earnings	<u>\$ 973,162</u>
Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 84,798
Annual debt service - 2009 revenue bonds	<u>52,082</u>
Subtotal	136,880
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 171,100</u>
Actual Debt Coverage	<u><u>7.11</u></u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2018 the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$32,385, which are included in capital assets in the governmental activities. Monthly payments total \$679 through October, 2022.

H. NET POSITION/FUND BALANCES

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

Governmental Activities

Table with 2 columns: Description and Amount. Rows include Net Investment in Capital Assets (Land, Construction in progress, Other capital assets, Less: Capital related long-term debt outstanding, Total Net Investment in Capital Assets), Restricted (Impact fees, Library, TIF purposes, Pension, Total Restricted), Unrestricted (deficit), and Total Governmental Activities Net Position.

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2018, include the following:

Table with 2 columns: Description and Amount. Rows include Nonspendable Major Fund General Fund Prepaid items.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Restricted

Major Funds

Debt Service Fund

Debt service

\$ 247,137

Capital Projects Funds

General capital projects - unspent debt proceeds

1,829,760

TID No. 4

3,292,888

Sub-Total

5,122,648

Total

\$ 5,369,785

Nonmajor Funds

Special Revenue Funds

Police improvements

\$ 133,840

Fire improvements

94,831

Library improvements

39,045

Park and recreation improvements

281,765

Library activities

117,089

Sub-Total

666,570

Capital Project Funds

TID No. 6

1,377

TID No. 7

1,601,731

Sub-Total

1,603,108

Total

\$ 2,269,678

Committed

Nonmajor Funds

Special Revenue Funds

Senior van replacement

\$ 25,772

Police operations

15,141

Police canine activities

95,013

Police honor guard activities

8,317

Historic preservation activities

414

Recreation facility improvements

92,273

Total

\$ 236,930

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Assigned	
Major Funds	
General Fund	
Payment in lieu of tax	\$ 582,619
Budget carryovers	867,180
Applied to subsequent budget	<u>139,607</u>
Total	<u>\$ 1,589,406</u>
Capital projects	<u>\$ 1,204,633</u>
Unassigned	
Major Funds	
General fund	\$ 5,902,819
TID No. 8 (deficit)	<u>(2,247,931)</u>
Total	<u>\$ 3,654,888</u>
Business-type Activities	
Net Investment in Capital Assets	
Land	\$ 175,599
Construction in progress	165,875
Other capital assets, net of accumulated depreciation	66,036,147
Less: Long-term debt outstanding	<u>(1,015,697)</u>
Total Net Investment in Capital Assets	<u>65,361,924</u>
Restricted	
Impact fees	327,504
Debt service	169,267
Equipment replacement	329,248
Pension	<u>168,993</u>
Total Restricted	<u>995,012</u>
Unrestricted	<u>10,476,978</u>
Total Business-type Activities Net Position	<u>\$ 76,833,914</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

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.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)
2017	2.0	4.0

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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 \$586,146 in contributions from the village.

Contribution rates for the plan year reported as of December 31, 2018 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, 2018, the village reported an liability (asset) of \$1,705,858 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability (asset) was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the village's proportion was 0.05745337%, which was a decrease of 0.00069798% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the village recognized pension expense of \$812,019.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2018, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,167,336	\$ 1,013,807
Changes in assumptions	337,044	-
Net differences between projected and actual earnings on pension plan investments	-	2,344,544
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,216	-
Employer contributions subsequent to the measurement date	609,915	-
Totals	\$ 3,165,511	\$ 3,358,351

\$609,915 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2019	\$ 204,353
2020	2,150
2021	(574,309)
2022	(439,068)
2023	4,119

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair 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, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

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>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	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

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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)	\$4,413,638	\$(1,705,858)	\$(6,356,866)

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, 2018, the village reported a payable to the pension plan 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.

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 \$1,407,531 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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 8,922	\$ 150,834
Current year claims and changes in estimates	1,159,500	1,284,095
Claim payments	(1,017,588)	(1,344,358)
 Unpaid Claims - End of Year	 \$ 150,834	 \$ 90,571

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, 2018. 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 February 5, 2019, the Village issued \$6,725,000 General Obligation Community Development Bonds - Series 2019A with proceeds to be used for TID No. 8 Infrastructure Projects and additional TID No. 8 Projects. The notes have a twenty-year term with a true interest cost of 3.1857%.

On February 5, 2019, the Village issued \$1,710,000 General Obligation Community Development Bonds - Series 2019B with proceeds to be used for TID No. 8 Projects. The notes have a ten-year term with a true interest cost of 3.2661%.

On May 2, 2019, the Village issued \$3,040,000 General Obligation Promissory Notes - Series 2019C with proceeds to be used for capital projects. The notes have a ten-year term with a true interest cost of 2.099%.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2018

NOTE IV - OTHER INFORMATION (cont.)

E. TAX ABATEMENT

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

The village through its Tax Incremental Financing District (TID) No. 4 has entered into tax abatement agreements with 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, 2018 were \$195,688.

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
General property taxes	\$ 9,496,539	\$ 9,496,539	\$ 9,496,539	\$ -
Other taxes	406,937	406,937	422,939	16,002
Special assessments	4,685	4,685	4,685	-
Intergovernmental	2,423,408	2,461,405	2,444,361	(17,044)
Regulation and compliance	1,040,234	1,040,234	1,260,905	220,671
Public charges for services	1,687,565	1,687,565	1,854,964	167,399
Investment income	50,700	50,700	169,357	118,657
Miscellaneous	<u>27,240</u>	<u>27,240</u>	<u>130,726</u>	<u>103,486</u>
Total Revenues	<u>15,137,308</u>	<u>15,175,305</u>	<u>15,784,476</u>	<u>609,171</u>
EXPENDITURES				
General Government				
Village board	122,955	122,955	138,452	(15,497)
General administrator	120,545	120,545	110,409	10,136
Village clerk	300,970	310,970	278,710	32,260
Treasurer/accounting	195,908	195,908	194,502	1,406
Assessor	240,297	240,297	195,658	44,639
Data processing	83,359	83,359	78,209	5,150
General government	135,810	135,810	74,208	61,602
Buildings and ground maintenance	<u>619,552</u>	<u>632,415</u>	<u>718,009</u>	<u>(85,594)</u>
Total General Government	<u>1,819,396</u>	<u>1,842,259</u>	<u>1,788,157</u>	<u>54,102</u>
Public Safety				
Police protection	4,713,094	4,722,094	4,678,544	43,550
Fire protection	1,860,623	1,860,623	1,844,734	15,889
Emergency government	17,002	17,002	14,897	2,105
Protective inspections	<u>308,424</u>	<u>308,424</u>	<u>235,935</u>	<u>72,489</u>
Total Public Safety	<u>6,899,143</u>	<u>6,908,143</u>	<u>6,774,110</u>	<u>134,033</u>
Public Works				
Engineer/director	217,865	217,865	212,774	5,091
Highway and street maintenance and construction	3,229,014	3,281,820	2,690,984	590,836
Solid waste recycling	<u>410,758</u>	<u>410,758</u>	<u>433,894</u>	<u>(23,136)</u>
Total Public Works	<u>3,857,637</u>	<u>3,910,443</u>	<u>3,337,652</u>	<u>572,791</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, 2018

	<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	\$ 821,908	\$ 895,289	\$ 848,172	\$ 47,117
Recreation	1,227,599	1,227,599	1,278,195	(50,596)
Senior center	125,344	125,344	123,112	2,232
Parks	514,571	514,571	467,094	47,477
Total Culture and Recreation	<u>2,689,422</u>	<u>2,762,803</u>	<u>2,716,573</u>	<u>46,230</u>
Conservation and Development				
Planning and zoning	177,659	237,974	156,508	81,466
Municipal development	127,371	219,884	44,390	175,494
Total Conservation and Development	<u>305,030</u>	<u>457,858</u>	<u>200,898</u>	<u>256,960</u>
Capital Outlay	<u>224,180</u>	<u>224,180</u>	<u>159,506</u>	<u>64,674</u>
Total Expenditures	<u>15,794,808</u>	<u>16,105,686</u>	<u>14,976,896</u>	<u>1,128,790</u>
Excess (deficiency) of revenues over expenditures	<u>(657,500)</u>	<u>(930,381)</u>	<u>807,580</u>	<u>1,737,961</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	520,000	520,000	582,619	62,619
Transfers out	-	-	(50,000)	(50,000)
Total Other Financing Sources (Uses)	<u>520,000</u>	<u>520,000</u>	<u>532,619</u>	<u>12,619</u>
Net Change in Fund Balance	(137,500)	(410,381)	1,340,199	1,750,580
FUND BALANCE - Beginning of Year	<u>6,152,918</u>	<u>6,152,918</u>	<u>6,152,918</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,015,418</u>	<u>\$ 5,742,537</u>	<u>\$ 7,493,117</u>	<u>\$ 1,750,580</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, 2018

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/18	0.05745337%	\$ (1,705,858)	\$ 6,970,047	24.47%	102.93%
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, 2018

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 609,915	\$ (609,915)	-	\$ 7,386,990	8.26%
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, 2018

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 \$867,180. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

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

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

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

Changes in assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,706,950	\$ 2,706,950	\$ 2,706,950	\$ -
Investment income	800	800	7,299	6,499
Total Revenues	<u>2,707,750</u>	<u>2,707,750</u>	<u>2,714,249</u>	<u>6,499</u>
EXPENDITURES				
Debt Service				
Principal	3,910,000	3,910,000	3,910,000	-
Interest and fiscal charges	<u>572,632</u>	<u>572,632</u>	<u>590,517</u>	<u>(17,885)</u>
Total Expenditures	<u>4,482,632</u>	<u>4,482,632</u>	<u>4,500,517</u>	<u>(17,885)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,774,882)</u>	<u>(1,774,882)</u>	<u>(1,786,268)</u>	<u>(11,386)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,729,283</u>	<u>1,729,283</u>	<u>1,895,102</u>	<u>165,819</u>
Total Other Financing Sources	<u>1,729,283</u>	<u>1,729,283</u>	<u>1,895,102</u>	<u>165,819</u>
Net Change in Fund Balance	(45,599)	(45,599)	108,834	154,433
FUND BALANCE - Beginning of Year	<u>138,303</u>	<u>138,303</u>	<u>138,303</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 92,704</u>	<u>\$ 92,704</u>	<u>\$ 247,137</u>	<u>\$ 154,433</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 an 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. 8 – 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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 46,587	\$ 46,587	\$ 46,587	\$ -
Investment income	15,000	15,000	72,580	57,580
Miscellaneous	-	-	75,804	75,804
Total Revenues	<u>61,587</u>	<u>61,587</u>	<u>194,971</u>	<u>133,384</u>
EXPENDITURES				
Capital outlay	2,897,579	4,273,304	2,255,492	2,017,812
Debt Service				
Debt issuance costs	<u>46,000</u>	<u>46,000</u>	<u>65,437</u>	<u>(19,437)</u>
Total Expenditures	<u>2,943,579</u>	<u>4,319,304</u>	<u>2,320,929</u>	<u>1,998,375</u>
Excess (deficiency) of revenues over expenditures	<u>(2,881,992)</u>	<u>(4,257,717)</u>	<u>(2,125,958)</u>	<u>2,131,759</u>
OTHER FINANCING SOURCES (USES)				
Premium on long-term debt	-	-	169,571	169,571
Issuance of general obligation notes	2,800,000	2,800,000	2,795,000	(5,000)
Proceeds of capital leases	59,000	-	32,384	32,384
Transfers in	-	59,000	17,000	(42,000)
Transfers out	-	-	(147,934)	(147,934)
Total Other Financing Sources (Uses)	<u>2,859,000</u>	<u>2,859,000</u>	<u>2,866,021</u>	<u>7,021</u>
Net Change in Fund Balance	(22,992)	(1,398,717)	740,063	2,138,780
FUND BALANCE - Beginning of Year	<u>2,294,330</u>	<u>2,294,330</u>	<u>2,294,330</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,271,338</u></u>	<u><u>\$ 895,613</u></u>	<u><u>\$ 3,034,393</u></u>	<u><u>\$ 2,138,780</u></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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,725,633	\$ 1,725,633	\$ 1,725,633	\$ -
Intergovernmental	124,159	124,159	124,159	-
Investment income	20,000	20,000	44,943	24,943
Total Revenues	<u>1,869,792</u>	<u>1,869,792</u>	<u>1,894,735</u>	<u>24,943</u>
EXPENDITURES				
Current:				
Conservation and development	<u>191,554</u>	<u>191,554</u>	<u>200,752</u>	<u>(9,198)</u>
Total Expenditures	<u>191,554</u>	<u>191,554</u>	<u>200,752</u>	<u>(9,198)</u>
Excess of revenues over expenditures	<u>1,678,238</u>	<u>1,678,238</u>	<u>1,693,983</u>	<u>15,745</u>
OTHER FINANCING USES				
Transfers out	<u>(1,484,570)</u>	<u>(1,484,570)</u>	<u>(1,484,570)</u>	<u>-</u>
Total Other Financing Uses	<u>(1,484,570)</u>	<u>(1,484,570)</u>	<u>(1,484,570)</u>	<u>-</u>
Net Change in Fund Balance	193,668	193,668	209,413	15,745
FUND BALANCE - Beginning of Year	<u>3,083,475</u>	<u>3,083,475</u>	<u>3,083,475</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,277,143</u>	<u>\$ 3,277,143</u>	<u>\$ 3,292,888</u>	<u>\$ 15,745</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 8 CAPITAL PROJECTS FUND
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ 1,500	\$ -	\$ (1,500)
Miscellaneous	-	15,000	37,873	22,873
Total Revenues	<u>-</u>	<u>16,500</u>	<u>37,873</u>	<u>21,373</u>
EXPENDITURES				
Current				
Conservation and development	-	294,163	310,298	(16,135)
Capital Outlay	<u>-</u>	<u>6,000,000</u>	<u>1,975,506</u>	<u>4,024,494</u>
Total Expenditures	<u>-</u>	<u>6,294,163</u>	<u>2,285,804</u>	<u>4,008,359</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,277,663)</u>	<u>(2,247,931)</u>	<u>4,029,732</u>
OTHER FINANCING SOURCES				
Debt issued	<u>-</u>	<u>7,380,000</u>	<u>-</u>	<u>(7,380,000)</u>
Total Other Financing Sources	<u>-</u>	<u>7,380,000</u>	<u>-</u>	<u>(7,380,000)</u>
Net Change in Fund Balance	-	1,102,337	(2,247,931)	(3,350,268)
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,102,337</u>	<u>\$ (2,247,931)</u>	<u>\$ (3,350,268)</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 an 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.

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VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Receivables			
Taxes receivable	-	-	-
Accrued interest	-	-	-
Restricted Assets			
Cash and investments	133,536	94,652	38,923
Interest	<u>304</u>	<u>179</u>	<u>122</u>
TOTAL ASSETS	<u>\$ 133,840</u>	<u>\$ 94,831</u>	<u>\$ 39,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	133,840	94,831	39,045
Committed	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>133,840</u>	<u>94,831</u>	<u>39,045</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 133,840</u>	<u>\$ 94,831</u>	<u>\$ 39,045</u>

Special Revenue Funds

Park and Recreation Impact Fee Fund	Senior Van Replace- ment Fund	Police Asset Forfeiture Fund	Police Canine Fund	Police Honor Guard	Historic Preser- vation Fund	Library Fund	Facility Fees Fund
\$ -	\$ 25,675	\$ 15,093	\$ 94,760	\$ 8,292	\$ 411	\$ 117,089	\$ 91,516
-	-	-	-	-	-	-	459
-	-	-	-	-	-	-	-
-	97	48	253	25	3	-	298
281,064	-	-	-	-	-	-	-
701	-	-	-	-	-	-	-
<u>\$ 281,765</u>	<u>\$ 25,772</u>	<u>\$ 15,141</u>	<u>\$ 95,013</u>	<u>\$ 8,317</u>	<u>\$ 414</u>	<u>\$ 117,089</u>	<u>\$ 92,273</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
281,765	-	-	-	-	-	117,089	-
-	25,772	15,141	95,013	8,317	414	-	92,273
<u>281,765</u>	<u>25,772</u>	<u>15,141</u>	<u>95,013</u>	<u>8,317</u>	<u>414</u>	<u>117,089</u>	<u>92,273</u>
<u>\$ 281,765</u>	<u>\$ 25,772</u>	<u>\$ 15,141</u>	<u>\$ 95,013</u>	<u>\$ 8,317</u>	<u>\$ 414</u>	<u>\$ 117,089</u>	<u>\$ 92,273</u>

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2018

	Capital Projects Funds		Total
	TID No. 6 Capital Projects Fund	TID No. 7 Capital Projects Fund	Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 3,643	\$ 1,639,867	\$ 1,996,346
Due from other funds	-	-	459
Receivables			
Taxes receivable	76,096	-	76,096
Accrued interest	-	-	724
Restricted Assets	-	-	
Cash and investments	-	-	548,175
Interest	-	-	1,306
	<u>79,739</u>	<u>1,639,867</u>	<u>2,623,106</u>
TOTAL ASSETS	<u>\$ 79,739</u>	<u>\$ 1,639,867</u>	<u>\$ 2,623,106</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,249	\$ 37,134	\$ 39,383
Accrued liabilities	17	1,002	1,019
Total Liabilities	<u>2,266</u>	<u>38,136</u>	<u>40,402</u>
Deferred Inflows of Resources			
Unearned revenues	76,096	-	76,096
Total Deferred Inflows of Resources	<u>76,096</u>	<u>-</u>	<u>76,096</u>
Fund Balances			
Restricted	1,377	1,601,731	2,269,678
Committed	-	-	236,930
Total Fund Balances	<u>1,377</u>	<u>1,601,731</u>	<u>2,506,608</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 79,739</u>	<u>\$ 1,639,867</u>	<u>\$ 2,623,106</u>

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VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Public charges for services	27,123	52,023	16,017
Investment income	1,748	1,143	493
Miscellaneous	-	-	-
Total Revenues	28,871	53,166	16,510
EXPENDITURES			
Current			
Public safety	-	-	-
Culture and recreation	-	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	-
Debt Service			
Debt issuance costs	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	28,871	53,166	16,510
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(30,000)	(30,000)
General obligation debt issued	-	-	-
Premium on debt issued	-	-	-
Total Other Financing Sources (Uses)	-	(30,000)	(30,000)
Net Change in Fund Balances	28,871	23,166	(13,490)
FUND BALANCES (DEFICIT) - Beginning of Year	104,969	71,665	52,535
FUND BALANCES - END OF YEAR	\$ 133,840	\$ 94,831	\$ 39,045

Special Revenue Funds

Park and Recreation Impact Fee Fund	Senior Van Replace- ment Fund	Police Asset Forfeiture Fund	Police Canine Fund	Police Honor Guard	Historic Preser- vation Fund	Library Fund	Facility Fees Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,545	-	-	-	-	-	-
41,952	3,787	-	-	-	-	-	52,517
3,711	337	191	1,199	114	11	1,797	1,628
-	5,175	3,111	27,377	700	75	3,818	-
<u>45,663</u>	<u>13,844</u>	<u>3,302</u>	<u>28,576</u>	<u>814</u>	<u>86</u>	<u>5,615</u>	<u>54,145</u>
-	-	1,865	5,992	1,222	-	-	-
-	-	-	-	-	677	4,418	77,166
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,865	5,992	1,222	677	4,418	77,166
<u>45,663</u>	<u>13,844</u>	<u>1,437</u>	<u>22,584</u>	<u>(408)</u>	<u>(591)</u>	<u>1,197</u>	<u>(23,021)</u>
-	-	-	-	-	-	-	-
-	(17,000)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(17,000)	-	-	-	-	-	-
45,663	(3,156)	1,437	22,584	(408)	(591)	1,197	(23,021)
<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>\$ 281,765</u>	<u>\$ 25,772</u>	<u>\$ 15,141</u>	<u>\$ 95,013</u>	<u>\$ 8,317</u>	<u>\$ 414</u>	<u>\$ 117,089</u>	<u>\$ 92,273</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	Capital Projects Funds		Total Nonmajor Governmental Funds
	TID No. 6 Capital Projects Fund	TID No. 7 Capital Projects Fund	
REVENUES			
Taxes	\$ 3,502	\$ -	\$ 3,502
Intergovernmental	-	-	4,545
Public charges for services	-	-	193,419
Investment income	720	28,324	41,416
Miscellaneous	106,856	-	147,112
Total Revenues	111,078	28,324	389,994
EXPENDITURES			
Current			
Public safety	-	-	9,079
Culture and recreation	-	-	82,261
Conservation and development	78,855	98,641	177,496
Capital Outlay	1,119	734,956	736,075
Debt Service			
Debt issuance costs	-	61,703	61,703
Total Expenditures	79,974	895,300	1,066,614
Excess (deficiency) of revenues over expenditures	31,104	(866,976)	(676,620)
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	50,000
Transfers out	(184,713)	(17,885)	(279,598)
General obligation debt issued	-	2,480,000	2,480,000
Premium on debt issued	-	27,905	27,905
Total Other Financing Sources (Uses)	(134,713)	2,490,020	2,278,307
Net Change in Fund Balances	(103,609)	1,623,044	1,601,687
FUND BALANCES (DEFICIT) - Beginning of Year	104,986	(21,313)	904,921
FUND BALANCES - END OF YEAR	\$ 1,377	\$ 1,601,731	\$ 2,506,608

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, 2018

	<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	\$ 27,123	\$ 18,539
Investment income	50	50	1,748	1,698
Total Revenues	<u>8,634</u>	<u>8,634</u>	<u>28,871</u>	<u>20,237</u>
OTHER FINANCING USES				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	-	<u>30,000</u>
Total Other Financing Uses	<u>(30,000)</u>	<u>(30,000)</u>	-	<u>30,000</u>
Net Change in Fund Balance	(21,366)	(21,366)	28,871	50,237
FUND BALANCE - Beginning of Year	<u>104,969</u>	<u>104,969</u>	<u>104,969</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 83,603</u>	<u>\$ 83,603</u>	<u>\$ 133,840</u>	<u>\$ 50,237</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, 2018

	<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	\$ 52,023	\$ 42,105
Investment income	100	100	1,143	1,043
Total Revenues	<u>10,018</u>	<u>10,018</u>	<u>53,166</u>	<u>43,148</u>
OTHER FINANCING USES				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balance	(19,982)	(19,982)	23,166	43,148
FUND BALANCE - Beginning of Year	<u>71,665</u>	<u>71,665</u>	<u>71,665</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 51,683</u>	<u>\$ 51,683</u>	<u>\$ 94,831</u>	<u>\$ 43,148</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, 2018

	<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	\$ 16,017	\$ (281)
Investment income	100	100	493	393
Total Revenues	<u>16,398</u>	<u>16,398</u>	<u>16,510</u>	<u>112</u>
OTHER FINANCING USES				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balance	(13,602)	(13,602)	(13,490)	112
FUND BALANCE - Beginning of Year	<u>52,535</u>	<u>52,535</u>	<u>52,535</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 38,933</u>	<u>\$ 38,933</u>	<u>\$ 39,045</u>	<u>\$ 112</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 20,608	\$ 20,608	\$ 41,952	\$ 21,344
Investment income	1,000	1,000	3,711	2,711
Total Revenues	<u>21,608</u>	<u>21,608</u>	<u>45,663</u>	<u>24,055</u>
Net Change in Fund Balance	21,608	21,608	45,663	24,055
FUND BALANCE - Beginning of Year	<u>236,102</u>	<u>236,102</u>	<u>236,102</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 257,710</u>	<u>\$ 257,710</u>	<u>\$ 281,765</u>	<u>\$ 24,055</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 3,200	\$ 3,200	\$ 3,787	\$ 587
Investment income	25	25	337	312
Intergovernmental	-	-	4,545	4,545
Miscellaneous	-	-	5,175	5,175
Total Revenues	<u>3,225</u>	<u>3,225</u>	<u>13,844</u>	<u>10,619</u>
OTHER FINANCING USES				
Transfers out	<u>(29,000)</u>	<u>(29,000)</u>	<u>(17,000)</u>	<u>12,000</u>
Total Other Financing Uses	<u>(29,000)</u>	<u>(29,000)</u>	<u>(17,000)</u>	<u>12,000</u>
Net Change in Fund Balance	(25,775)	(25,775)	(3,156)	22,619
FUND BALANCE - Beginning of Year	<u>28,928</u>	<u>28,928</u>	<u>28,928</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,153</u>	<u>\$ 3,153</u>	<u>\$ 25,772</u>	<u>\$ 22,619</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 150	\$ 150	\$ 191	\$ 41
Miscellaneous	10,000	10,000	3,111	(6,889)
Total Revenues	<u>10,150</u>	<u>10,150</u>	<u>3,302</u>	<u>(6,848)</u>
EXPENDITURES				
Public safety	4,000	4,000	1,865	2,135
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,865</u>	<u>2,135</u>
Net Change in Fund Balance	6,150	6,150	1,437	(4,713)
FUND BALANCE - Beginning of Year	<u>13,704</u>	<u>13,704</u>	<u>13,704</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,854</u>	<u>\$ 19,854</u>	<u>\$ 15,141</u>	<u>\$ (4,713)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 500	\$ 500	\$ 1,199	\$ 699
Miscellaneous	10,000	10,000	27,377	17,377
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>28,576</u>	<u>18,076</u>
EXPENDITURES				
Public safety	4,000	4,000	5,992	(1,992)
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>5,992</u>	<u>(1,992)</u>
Net Change in Fund Balance	6,500	6,500	22,584	16,084
FUND BALANCE - Beginning of Year	<u>72,429</u>	<u>72,429</u>	<u>72,429</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 78,929</u>	<u>\$ 78,929</u>	<u>\$ 95,013</u>	<u>\$ 16,084</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE HONOR GUARD FUND
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 50	\$ 50	\$ 114	\$ 64
Miscellaneous	3,000	3,000	700	(2,300)
Total Revenues	<u>3,050</u>	<u>3,050</u>	<u>814</u>	<u>(2,236)</u>
EXPENDITURES				
Public safety	<u>2,000</u>	<u>2,000</u>	<u>1,222</u>	<u>778</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,222</u>	<u>778</u>
Net Change in Fund Balance	1,050	1,050	(408)	(1,458)
FUND BALANCE - Beginning of Year	<u>8,725</u>	<u>8,725</u>	<u>8,725</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,775</u>	<u>\$ 9,775</u>	<u>\$ 8,317</u>	<u>\$ (1,458)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 8	\$ 8	\$ 11	\$ 3
Miscellaneous	-	-	75	75
Total Revenues	<u>8</u>	<u>8</u>	<u>86</u>	<u>78</u>
EXPENDITURES				
Culture and recreation	<u>100</u>	<u>100</u>	<u>677</u>	<u>(577)</u>
Total Expenditures	<u>100</u>	<u>100</u>	<u>677</u>	<u>(577)</u>
Net Change in Fund Balance	(92)	(92)	(591)	(499)
FUND BALANCE - Beginning of Year	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 913</u></u>	<u><u>\$ 913</u></u>	<u><u>\$ 414</u></u>	<u><u>\$ (499)</u></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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 20	\$ 20	\$ 1,797	\$ 1,777
Miscellaneous	-	-	3,818	3,818
Total Revenues	<u>20</u>	<u>20</u>	<u>5,615</u>	<u>5,595</u>
EXPENDITURES				
Culture and recreation	-	-	4,418	(4,418)
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,418</u>	<u>(4,418)</u>
Net Change in Fund Balance	20	20	1,197	1,177
FUND BALANCE - Beginning of Year	<u>115,892</u>	<u>115,892</u>	<u>115,892</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 115,912</u>	<u>\$ 115,912</u>	<u>\$ 117,089</u>	<u>\$ 1,177</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 35,000	\$ 35,000	\$ 52,517	\$ 17,517
Investment income	600	600	1,628	1,028
Total Revenues	<u>35,600</u>	<u>35,600</u>	<u>54,145</u>	<u>18,545</u>
EXPENDITURES				
Culture and recreation	<u>33,000</u>	<u>33,000</u>	<u>77,166</u>	<u>(44,166)</u>
Total Expenditures	<u>33,000</u>	<u>33,000</u>	<u>77,166</u>	<u>(44,166)</u>
Net Change in Fund Balance	2,600	2,600	(23,021)	(25,621)
FUND BALANCE - Beginning of Year	<u>115,294</u>	<u>115,294</u>	<u>115,294</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 117,894</u>	<u>\$ 117,894</u>	<u>\$ 92,273</u>	<u>\$ (25,621)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,502	\$ 3,502	\$ 3,502	\$ -
Investment income	100	100	720	620
Miscellaneous	-	-	106,856	106,856
Total Revenues	<u>3,602</u>	<u>3,602</u>	<u>111,078</u>	<u>107,476</u>
EXPENDITURES				
Current				
Conservation and development	44,839	49,839	78,855	(29,016)
Capital Outlay	<u>80,000</u>	<u>75,000</u>	<u>1,119</u>	<u>73,881</u>
Total Expenditures	<u>124,839</u>	<u>124,839</u>	<u>79,974</u>	<u>44,865</u>
Excess (deficiency) of revenues over expenditures	<u>(121,237)</u>	<u>(121,237)</u>	<u>31,104</u>	<u>152,341</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	50,000	50,000
Transfers out	<u>(184,713)</u>	<u>(184,713)</u>	<u>(184,713)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(184,713)</u>	<u>(184,713)</u>	<u>(134,713)</u>	<u>50,000</u>
Net Change in Fund Balance	(305,950)	(305,950)	(103,609)	202,341
FUND BALANCE - Beginning of Year	<u>104,986</u>	<u>104,986</u>	<u>104,986</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ (200,964)</u></u>	<u><u>\$ (200,964)</u></u>	<u><u>\$ 1,377</u></u>	<u><u>\$ 202,341</u></u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 7 CAPITAL PROJECTS FUND For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ 1,200	\$ 28,324	\$ 27,124
Total Revenues	<u>-</u>	<u>1,200</u>	<u>28,324</u>	<u>27,124</u>
EXPENDITURES				
Current				
Conservation and development	-	39,653	98,641	(58,988)
Capital Outlay	-	1,778,600	734,956	1,043,644
Debt Service				
Debt issuance costs	<u>-</u>	<u>58,703</u>	<u>61,703</u>	<u>(3,000)</u>
Total Expenditures	<u>-</u>	<u>1,876,956</u>	<u>895,300</u>	<u>981,656</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,875,756)</u>	<u>(866,976)</u>	<u>1,008,780</u>
OTHER FINANCING SOURCES (USES)				
General obligation debt issued	-	2,480,000	2,480,000	-
Premium on debt issued	-	27,905	27,905	-
Transfers out	<u>-</u>	<u>(17,885)</u>	<u>(17,885)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,490,020</u>	<u>2,490,020</u>	<u>-</u>
Net Change in Fund Balance	-	614,264	1,623,044	1,008,780
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(21,313)</u>	<u>(21,313)</u>	<u>(21,313)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (21,313)</u>	<u>\$ 592,951</u>	<u>\$ 1,601,731</u>	<u>\$ 1,008,780</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, 2018

	Health Insurance Fund	Dental Insurance Fund	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 1,427,714	\$ 67,141	\$ 1,494,855
Receivables			
Interest	<u>3,111</u>	<u>136</u>	<u>3,247</u>
Total Assets	<u>1,430,825</u>	<u>67,277</u>	<u>1,498,102</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>86,560</u>	<u>4,011</u>	<u>90,571</u>
Total Current Liabilities	<u>86,560</u>	<u>4,011</u>	<u>90,571</u>
Total Liabilities	<u>86,560</u>	<u>4,011</u>	<u>90,571</u>
NET POSITION			
Unrestricted	<u>1,344,265</u>	<u>63,266</u>	<u>1,407,531</u>
TOTAL NET POSITION	<u>\$ 1,344,265</u>	<u>\$ 63,266</u>	<u>\$ 1,407,531</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Premiums	\$ 1,549,067	\$ 98,892	\$ 1,647,959
Total Operating Revenues	<u>1,549,067</u>	<u>98,892</u>	<u>1,647,959</u>
OPERATING EXPENSES			
General government	1,699,869	87,971	1,787,840
Total Operating Expenses	<u>1,699,869</u>	<u>87,971</u>	<u>1,787,840</u>
Operating Income (Loss)	<u>(150,802)</u>	<u>10,921</u>	<u>(139,881)</u>
NONOPERATING REVENUES			
Investment income	<u>13,029</u>	<u>304</u>	<u>13,333</u>
Total Nonoperating Revenues	<u>13,029</u>	<u>304</u>	<u>13,333</u>
Change in net position	(137,773)	11,225	(126,548)
NET POSITION - Beginning of Year	<u>1,482,038</u>	<u>52,041</u>	<u>1,534,079</u>
NET POSITION - END OF YEAR	<u>\$ 1,344,265</u>	<u>\$ 63,266</u>	<u>\$ 1,407,531</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2018

	Health Insurance Fund	Dental Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from other funds	\$ 1,550,369	\$ 98,892	\$ 1,649,261
Paid to suppliers for goods and services	<u>(1,760,260)</u>	<u>(87,843)</u>	<u>(1,848,103)</u>
Net Cash Flows From Operating Activities	<u>(209,891)</u>	<u>11,049</u>	<u>(198,842)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>12,661</u>	<u>301</u>	<u>12,962</u>
Net Cash Flows From Investing Activities	<u>12,661</u>	<u>301</u>	<u>12,962</u>
Net Change in Cash and Cash Equivalents	(197,230)	11,350	(185,880)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,624,944</u>	<u>55,791</u>	<u>1,680,735</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,427,714</u>	<u>\$ 67,141</u>	<u>\$ 1,494,855</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (150,802)	\$ 10,921	\$ (139,881)
Changes in assets and liabilities			
Accounts receivable	1,302	-	1,302
Accounts payable	<u>(60,391)</u>	<u>128</u>	<u>(60,263)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (209,891)</u>	<u>\$ 11,049</u>	<u>\$ (198,842)</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, 2018

	Balance 1-1-18	Additions	Deductions	Balance 12-31-18
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 21,041,340	\$ 20,227,404	\$ 21,041,340	\$ 20,227,404
Taxes receivable	10,394,570	13,261,628	10,394,570	13,261,628
TOTAL ASSETS	\$ 31,435,910	\$ 33,489,032	\$ 31,435,910	\$ 33,489,032
Liabilities				
Accounts payable	\$ 54,275	\$ 38,897	\$ 54,275	\$ 38,897
Due to other governments	31,381,635	33,450,135	31,381,635	33,450,135
TOTAL LIABILITIES	\$ 31,435,910	\$ 33,489,032	\$ 31,435,910	\$ 33,489,032

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

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

Table 1

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net Investment in Capital Assets	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	63,517,774
Restricted	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	7,099,431
Unrestricted (deficit)	<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>	<u>(3,409,299)</u>
Total governmental activities net position	<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>	<u>67,207,906</u>
Business-type activities										
Net Investment in Capital Assets	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	65,361,924
Restricted	809,221	686,986	624,121	625,311	639,877	683,237	835,537	645,764	743,773	995,012
Unrestricted	<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>	<u>10,476,978</u>
Total business-type activities net position	<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>	<u>76,833,914</u>
Primary Government										
Net Investment in Capital Assets	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	127,106,149
Restricted	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	8,094,443
Unrestricted	<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>	<u>8,841,228</u>
Total primary government net position	<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>	<u>144,041,820</u>

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

Table 2

Expenses	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
General government	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	2,256,248
Public safety	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	7,533,662
Public works	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	6,666,616
Culture and recreation	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	2,771,168
Conservation and development	343,793	308,014	269,046	254,211	757,450	2,090,544	365,437	2,530,367	857,765	866,765
Interest & Fiscal charges	1,392,104	1,235,140	1,113,907	941,011	1,013,868	751,307	894,302	686,590	616,440	738,532
Total governmental activities expense	<u>17,337,702</u>	<u>17,577,325</u>	<u>18,042,783</u>	<u>18,121,653</u>	<u>19,054,542</u>	<u>20,132,290</u>	<u>18,460,894</u>	<u>23,141,475</u>	<u>20,232,893</u>	<u>20,832,991</u>
Business-type activities										
Water	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	2,458,849
Wastewater	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	6,375,078
Total business-type activities expenses	<u>6,401,150</u>	<u>6,830,661</u>	<u>7,048,244</u>	<u>7,455,751</u>	<u>7,505,884</u>	<u>7,664,084</u>	<u>7,966,712</u>	<u>8,273,298</u>	<u>8,395,817</u>	<u>8,833,927</u>
Total primary government expenses	<u>23,738,852</u>	<u>24,407,986</u>	<u>25,091,027</u>	<u>25,577,404</u>	<u>26,560,426</u>	<u>27,796,374</u>	<u>26,427,606</u>	<u>31,414,773</u>	<u>28,628,710</u>	<u>29,666,918</u>
Program Revenues										
Governmental activities										
Charges for Services										
General government	265,483	279,204	266,974	310,657	312,260	305,520	320,634	311,203	311,761	315,859
Public safety	719,415	731,949	828,539	960,015	1,052,083	1,158,225	1,099,257	965,276	1,275,353	1,397,782
Public works	190,342	166,902	242,763	252,638	271,587	271,855	223,462	149,461	252,721	200,438
Culture and recreation	839,153	926,718	887,803	923,857	939,005	1,001,646	1,086,100	1,112,829	1,142,084	1,192,086
Conservation and development	8,562	7,973	8,487	14,578	13,808	14,861	15,662	10,380	18,511	15,495
Operating grants and contributions	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	1,699,437
Capital grants and contributions	617,381	370,030	65,370	536,093	86,063	111,489	227,012	483,058	576,089	191,928
Total governmental activities program revenues	<u>4,071,242</u>	<u>3,948,844</u>	<u>3,890,762</u>	<u>4,425,234</u>	<u>4,133,700</u>	<u>4,329,662</u>	<u>4,492,010</u>	<u>4,489,683</u>	<u>5,153,010</u>	<u>5,013,025</u>
Business-type activities										
Charges for services:										
Water and Wastewater	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	9,022,428
Capital Grants and contributions	956,876	432,757	579,958	381,262	118,335	928,330	349,330	2,288,166	2,622,069	3,176,798
Total business-type activities program revenues	<u>6,310,178</u>	<u>6,239,235</u>	<u>7,192,586</u>	<u>8,339,442</u>	<u>8,300,051</u>	<u>9,025,978</u>	<u>9,718,087</u>	<u>11,555,207</u>	<u>11,669,552</u>	<u>12,199,226</u>
Total primary government program revenues	<u>10,381,420</u>	<u>10,188,079</u>	<u>11,083,348</u>	<u>12,764,676</u>	<u>12,433,751</u>	<u>13,355,640</u>	<u>14,210,097</u>	<u>16,044,890</u>	<u>16,822,562</u>	<u>17,212,251</u>
Net (Expense) Revenue										
Governmental Activities	(13,266,460)	(13,628,481)	(14,152,021)	(13,696,419)	(14,920,842)	(15,802,628)	(13,968,884)	(18,651,792)	(15,079,883)	(15,819,966)
Business-type Activities	(90,972)	(591,426)	144,342	883,691	794,167	1,361,894	1,751,375	3,281,909	3,273,735	3,365,299
Total Primary government net expense	<u>(13,357,432)</u>	<u>(14,219,907)</u>	<u>(14,007,679)</u>	<u>(12,812,728)</u>	<u>(14,126,675)</u>	<u>(14,440,734)</u>	<u>(12,217,509)</u>	<u>(15,369,883)</u>	<u>(11,806,148)</u>	<u>(12,454,667)</u>
General Revenues and Other Changes in Net Assts										
Governmental Activities:										
Taxes										
Property Taxes	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	14,350,784
Intergovernmental revenues	1,006,788	987,881	971,494	1,027,432	1,001,520	946,067	993,240	1,033,149	1,048,796	1,038,481
Investment income	143,110	111,559	151,222	126,365	65,225	135,166	123,261	120,496	140,275	349,865
Other	355,390	399,508	893,020	1,178,751	341,198	1,871,679	568,135	352,951	289,740	475,217
Total General Revenues Government Activities	<u>14,381,460</u>	<u>14,987,069</u>	<u>15,773,038</u>	<u>16,048,922</u>	<u>15,252,910</u>	<u>15,859,469</u>	<u>14,509,966</u>	<u>15,165,101</u>	<u>15,547,618</u>	<u>16,214,347</u>
Business-type Activities:										
Investment Income (Loss)	55,558	58,934	29,376	14,138	(738)	42,192	45,226	53,570	72,534	141,804
Other	-	-	-	-	-	-	-	-	38,333	70,233
Total General Revenues Business-type Activities	<u>55,558</u>	<u>58,934</u>	<u>29,376</u>	<u>14,138</u>	<u>(738)</u>	<u>42,192</u>	<u>45,226</u>	<u>53,570</u>	<u>110,867</u>	<u>212,037</u>
Total Primary Government	<u>14,437,018</u>	<u>15,046,003</u>	<u>15,802,414</u>	<u>16,063,060</u>	<u>15,252,172</u>	<u>15,901,661</u>	<u>14,555,192</u>	<u>15,218,671</u>	<u>15,658,485</u>	<u>16,426,384</u>
Change in Net Position										
Governmental Activities	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	977,000
Business-type Activities	(519,849)	(1,066,139)	(375,236)	318,159	218,724	874,840	1,268,448	2,821,979	2,832,808	2,994,717
Total Primary Government	<u>1,079,586</u>	<u>826,096</u>	<u>1,794,735</u>	<u>3,250,332</u>	<u>1,125,497</u>	<u>1,460,927</u>	<u>2,337,683</u>	<u>(151,212)</u>	<u>3,852,397</u>	<u>3,971,717</u>

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

Table 3

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved for:										
Non-current receivables	88,735	99,505	-	-	-	-	-	-	-	-
Payment in lieu of taxes	484,435	533,647	-	-	-	-	-	-	-	-
Designated for carryovers	-	91,263	-	-	-	-	-	-	-	-
Undesignated	1,277,719	1,817,020	-	-	-	-	-	-	-	-
Nonspendable	-	-	65,937	54,782	67,183	149,592	2,248	16,035	15,094	892
Assigned - payment in lieu of taxes	-	-	548,954	579,670	574,705	529,246	528,153	513,500	551,794	582,619
Assigned - carryovers	-	-	254,097	328,036	202,503	187,608	471,661	332,882	410,381	1,006,787
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>	<u>5,902,819</u>
Total general fund	<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>	<u>7,493,117</u>
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	40,002	233,960	-	-	-	-	-	-	-	-
Impact fees	89,031	97,765	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Special revenue funds	144,210	144,403	-	-	-	-	-	-	-	-
Capital projects funds	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	7,639,463
Committed	-	-	51,544	61,986	94,394	141,277	185,008	202,586	240,085	236,930
Assigned	-	-	1,079,892	795,282	1,023,168	1,252,639	1,863,541	1,558,510	1,103,233	1,204,633
Unassigned	-	-	-	-	-	-	-	-	(21,313)	(2,247,931)
Total all other governmental funds	<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>	<u>6,833,095</u>
Total fund balance, governmental funds	<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>	<u>14,326,212</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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	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	14,355,563
Special Assessments	314,115	263,451	284,381	288,768	309,302	339,950	363,716	514,964	4,685	4,685
Intergovernmental	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	2,619,652
Regulation and compliance	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161	1,095,844	838,034	1,106,195	1,260,905
Public charges for services	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	2,048,383
Interdepartmental charges	61,995	53,000	95,000	-	-	-	-	-	-	-
Investment income	148,150	106,457	148,577	125,851	63,566	133,479	115,493	113,796	129,117	335,595
Miscellaneous	244,627	249,299	886,517	2,007,897	200,216	2,059,497	706,697	157,046	306,463	391,515
Total Revenues	18,052,996	18,865,891	19,955,021	21,058,900	19,516,846	20,632,169	19,280,641	19,589,752	20,184,356	21,016,298
Expenditures										
General Government	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	1,788,157
Public Safety	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	6,783,189
Public Works	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	3,337,652
Culture and recreation	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	2,798,834
Conservation and development	222,248	207,684	199,172	187,562	692,834	452,337	422,986	476,696	431,709	889,444
Capital Outlay	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	5,126,579 ⁽¹⁾
Debt Service										
Principal	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	3,910,000
Interest and fiscal charges	1,348,891	1,056,393	1,079,467	930,029	722,234	617,882	741,975	670,932	595,302	590,517
Debt issuance costs	50,656	100,434	44,039	80,370	35,536	147,838	58,658	68,698	54,801	127,140
Total Expenditures	24,496,565	20,474,316	20,537,024	23,333,115	22,174,009	25,266,330	23,468,506	29,517,743	22,396,255	25,351,512
Excess (Deficiency) of Revenues										
Over Expenditures	(6,443,569)	(1,608,425)	(582,003)	(2,274,215)	(2,657,163)	(4,634,161)	(4,187,865)	(9,927,991)	(2,211,899)	(4,335,214)
Other Financing Sources (Uses):										
Proceeds from the sale of land	-	-	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	151,380	-	-	-	32,384
Issuance of general obligation notes	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	5,275,000
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	197,476
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	(3,918,339)	-	(3,086,483)	-	-	-	-	-	-
Transfers In	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	2,544,721
Transfers Out	(3,794,538)	(4,276,986)	(4,395,049)	(4,377,360)	(5,299,686)	(2,105,716)	(2,061,144)	(2,380,174)	(2,089,204)	(1,962,102)
Total Other Financing										
Uses	5,919,607	2,319,048	2,832,840	3,753,187	2,479,705	10,219,447	3,253,399	4,993,516	3,411,694	6,087,479
Net Change in Fund Balances	(523,962)	710,623	2,250,837	1,478,972	(177,458)	5,585,286	(934,466)	(4,934,475)	1,199,795	1,752,265
Debt Service as a percentage of noncapital expenditures ⁽¹⁾	41.56%	27.71%	26.76%	29.27%	23.02%	26.71%	26.51%	27.28%	22.34%	21.19%

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

Total non-capital expenditures include reconciling items found on page 9 of the CAFR

(1) 2018 Capital Outlay \$5,126,579 less items not capitalized \$1,016,833 used to obtain percentage of noncapital expenditures \$4,109,746

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		
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%
2018	2,476,606,300	2,658,086,800	35,710,000	40,689,800	2,512,316,300	2,698,776,600	0.515	93.57%

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

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

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

Village of Germantown, Wisconsin

Table 6

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

Fiscal Year Ended Dec 31.	Village Direct Rates			Total Tax Rate	Germantown School District	Overlapping Rates			Total Tax Levy
	Basic	Debt Service	Capital Projects			Washington County	Milwaukee Area Technical College	State of Wisconsin	
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
2018	4.00	1.15	0.00	5.15	10.00	2.57	1.32	0.00	19.04

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

Village of Germantown, Wisconsin

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

Year Levied Tax Collected	Local	1 Schools	County	2 Other	3 Total Full Value Effective Rate
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
2018/19	4.79	10.54	2.39	0.00	17.72

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
Principal Property Tax Payers
Current Year and Nine Years Ago

Table 7

Taxpayer	2018		2009	
	Equalized Value	Percentage Village's Total Equalized Value	Equalized Value	Percentage Village's Total Equalized Value
The Gables of Germantown LLC			15,282,195	2 0.63%
Airgas Safety	17,829,967	2 0.66%		
Sentinel Germantown	21,179,865	1 0.78%		
Meridian Germantown LLC	15,955,114	3 0.59%	19,491,962	1 0.80%
Cambridge Major Laboratories	14,341,028	4 0.53%	10,350,281	10 0.42%
Wago Corporation	8,905,525	8 0.33%		
Heather Lake	8,656,621	10 0.32%		
Stonehedge Properties	10,155,712	7 0.38%	13,666,735	6 0.56%
Freistadt All-Temp	8,825,478	9 0.33%		
PHW Germantown	11,727,049	5 0.43%		
Menard's			11,901,108	8 0.49%
Covenant Communities	11,516,298	6		
Waste Management			12,467,912	7 0.51%
Compass Properties			15,260,582	3 0.62%
Germantown Plaza			11,141,269	9 0.46%
Aurora Health Care			15,180,156	4 0.62%
Anthony Palermo			14,241,581	5 0.58%
Total	\$129,092,657	4.78%	\$138,983,781	5.68%

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

a) Total Equalized Value January 1, 2018 = \$ 2,698,776,600
 b) Total Equalized Value January 1, 2009 = \$ 2,445,138,200

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
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%
2018	47,835,308	36,589,120	76.49%	11,246,188	47,831,749	99.99%

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	2009	2010	2011	2012	2013	2014	2015	2016*	2017*	2018*
Water and Sewer										
Number of Water Customers	5,479	5,510	5,238	5255	5311	5359	5440	5460	5464	5477
Average Daily Water Consumption (gallons)	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	1,596,058
Number of Wastewater Customers	5,744	5,770	5,497	5511	5552	5603	5682	5696	5705	5715

* 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

	2009	2010	2011	2012	2013*	2014	2015	2016	2017	2018
Number of customers										
Residential	4,636	4,663	4,670	4685	4727	4774	4840	4857	4865	4868
Res - Multi-Family*					107	107	108	108	108	109
Commercial	802	802	523	528	432	433	451	450	466	455
Industrial	21	21	21	22	22	22	22	22	22	22
Public	20	24	24	20	23	23	19	23	23	23
Total	5,479	5,510	5,238	5,255	5,311	5,359	5,440	5,460	5,484	5,477
Gallons (thousands)										
Residential	301,575	281,134	281,405	314,016	278,289	264,880	270,293	262,740	255,115	249,242
Res - Multi-Family*					49,595	49,317	51,143	49,760	49,659	51,029
Commercial	177,733	170,811	180,989	176,460	119,599	106,747	121,561	126,118	128,166	128,235
Industrial	34,067	43,368	47,300	53,276	181,544	227,407	247,368	134,939	96,416	144,840 **
Public	11,231	9,928	10,080	9,702	9,373	7,952	8,372	8,877	10,556	9,215
Total	524,606	505,241	519,774	553,454	638,400	656,303	698,737	582,434	539,912	582,561

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

** variations in Industrial water usage due to large use customer that have their own water source, uses Village water for peak demand

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

Table 11

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Metered Service	*	**			***	****				
Quarterly Service Charge										
5/8 inch meter	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27	15.27
3/4 inch meter	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27	15.27
1 inch meter	\$23.18	\$24.00	24.00	24.00	24.72	25.46	25.46	25.46	25.46	25.46
1 1/4 inch meter	\$31.67	\$33.00	33.00	33.00	33.99	35.01	35.01	35.01	35.01	35.01
1 1/2 inch meter	\$40.17	\$42.00	42.00	42.00	43.26	44.56	44.56	44.56	44.56	44.56
2 inch meter	\$61.80	\$63.00	63.00	63.00	64.89	66.84	66.84	66.84	66.84	66.84
3 inch meter	\$101.97	\$105.00	105.00	105.00	108.15	111.39	111.39	111.39	111.39	111.39
4 inch meter	\$160.68	\$162.00	162.00	162.00	166.86	171.87	171.87	171.87	171.87	171.87
6 inch meter	\$296.64	\$300.00	300.00	300.00	309.00	318.24	318.24	318.24	318.24	318.24
8 inch meter	\$457.32	\$462.00	462.00	462.00	475.86	490.14	490.14	490.14	490.14	490.14
10 inch meter	\$667.44	\$675.00	675.00	675.00	695.25	716.11	716.11	716.11	716.11	716.11
12 inch meter	\$880.65	\$891.00	891.00	891.00	917.73	945.26	945.26	945.26	945.26	945.26
Volume rate (per 1,000 gallons)										
First 100,000 gallons	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22	\$2.29	\$2.29	\$2.29	\$2.29	\$2.29
Next 900,000 gallons	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91	\$1.97	\$1.97	\$1.97	\$1.97	\$1.97
Over 1,000,000 gallons	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
Public Fire Protection										
Annual service charge to the Village of Germantown	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776	\$537,429	\$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

	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
Number of customers										
Residential	4,389	4,412	4,419	4,432	4,473	4,519	4,564	4,574	4,578	4,581
Commercial	1,308	1,308	1,028	1,027	1,026	1,031	1,066	1,070	1,075	1,082
Industrial	27	29	29	31	32	32	31	31	31	31
Public	20	21	21	21	21	21	21	21	21	21
Total	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696	5,705	5,715
Gallons (thousands)										
Residential	296,805	266,797	268,106	298,742	263,821	251,582	255,996	249,473	241,242	235,810
Commercial	168,260	165,434	174,766	171,901	159,206	139,755	160,665	161,433	166,929	173,678
Industrial	117,070	142,091	160,703	194,685	216,399	189,970	307,978	272,429	246,822	228,266
Public	9,666	7,953	7,893	7,368	7,264	8,035	8,304	8,022	10,669	7,230
Total	591,801	582,275	611,468	672,696	646,690	589,342	732,943	691,357	665,662	644,984

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 singler 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Metered Service	*	**	***	****		*****				
Quarterly Service Charge										
5/8 inch meter	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01	\$40.01
3/4 inch meter	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01	\$40.01
1 inch meter	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29	\$74.02	\$74.02	\$74.02	\$74.02	\$74.02
1 1/2 inch meter	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75	\$102.02	\$102.02	\$102.02	\$102.02	\$102.02
2 inch meter	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01	\$132.02	\$132.02	\$132.02	\$132.02	\$132.02
3 inch meter	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67	\$202.03	\$202.03	\$202.03	\$202.03	\$202.03
4 inch meter	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14	\$362.06	\$362.06	\$362.06	\$362.06	\$362.06
6 inch meter	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26	\$592.08	\$592.08	\$592.08	\$592.08	\$592.08
Volume rate (per 1,000 gallons)										
All Classes										
Residential Only	\$4.32	\$4.752	\$5.465	\$6.285	\$6.285	\$6.913	\$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	\$8.641
General Unmetered Service										
Flat rate	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93	\$162.75	\$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			
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	5,634,023	15,076,468	3,920,557	-	31,919	1,114,042	-	25,777,009	1,291	19,965
2018	8,117,980	15,336,256	2,663,539		31,227	1,015,697	-	27,164,699	1,346	20,183

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

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

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

Table 15

Fiscal Year Ended December 31,	General Bonded Debt Outstanding		Less: Fund Balance Restricted for Debt Service	Total	Percentage of Long -Term Debt to Equalized Value	Equalized Valuation	Net Long-term Debt per Capita	Population
	General Obligation Bonds	Refunding Bonds						
2009	9,540,000	13,990,738	(40,002)	23,490,736	0.96%	2,445,138,200	1,195	19,650
2010	5,135,000	15,917,927	(233,960)	20,818,967	0.88%	2,378,367,400	1,054	19,749
2011	4,345,000	14,278,605	(355,159)	18,268,446	0.78%	2,350,376,900	924	19,772
2012	735,000	16,170,407	(287,051)	16,618,356	0.74%	2,248,659,300	839	19,803
2013	410,000	14,272,770	(2,697,292)	11,985,478	0.54%	2,202,155,500	605	19,811
2014	5,790,000	12,146,752	(1,785,323)	16,151,429	0.71%	2,283,352,100	812	19,891
2015	5,765,000	10,528,381	(769,454)	15,523,927	0.65%	2,405,913,400	777	19,972
2016	5,740,000	5,695,028	(93,069)	11,341,959	0.45%	2,501,879,800	567	20,008
2017	5,634,023	3,920,557	(138,303)	9,416,277	0.37%	2,577,479,900	472	19,965
2018	8,117,980	2,663,539	(247,137)	10,534,382	0.39%	2,698,776,600	522	20,183

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	2018 Equalized Value	Total G.O. Debt Outstanding	Village EV Percentage of District	Village Proportionate Share
Milwaukee Area Technical College	79,921,554,819	75,900,000	3.3800% ¹	2,565,420
Germantown School District	3,622,498,802	96,521,817	74.5000%	71,908,754
Washington County	15,304,223,600	14,145,000	17.6300%	2,493,764
Subtotal, overlapping debt	98,848,277,221	186,566,817	2.85% ²	76,967,937
Village Direct Debt	2,698,776,600	26,149,002	100.000%	26,149,002
Village Debt to Equalized Value		212,715,819	0.97% ³	
Total Direct and overlapping debt				103,116,939
Debt Per Capita Village General Obligation Debt				1,309.74 ⁴
Debt Per Capita Village Share of Overlapping Debt				3,855.14
				5,164.89

Source: Financial Officers of the overlapping School Districts and Counties, Official Statement dated April 8, 2019

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 2018 estimate 20,183 debt per capita

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

Table 17

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Legal Debt Margin calculations for Fiscal Year 2018										
2018 Equalized Valuation										\$2,698,776,600
Debt Limit (5% of current equalized value)										\$134,938,830
Debt applicable to limit - General obligation debt outstanding										<u>\$25,445,000</u>
Legal Debt margin										\$109,493,830
Statutory Debt Limit	\$122,256,910	\$118,918,370	\$117,518,845	\$112,432,965	\$110,107,775	\$114,167,605	\$120,295,670	\$125,093,990	\$128,873,995	\$134,938,830
Total Net Debt Applicable to limit	\$33,040,172	\$31,012,834	\$29,211,533	\$27,511,642	\$25,607,985	\$29,245,000	\$27,355,000	\$25,130,000	\$24,080,000	\$25,445,000
Unused Debt Limit	\$89,216,738	\$87,905,536	\$88,307,312	\$84,921,323	\$84,499,790	\$84,922,605	\$92,940,670	\$99,963,990	\$104,793,995	\$109,493,830
Total Net Debt Applicable to the limit as a percentage of debt limit	27.03%	26.08%	24.86%	24.47%	23.26%	25.62%	22.74%	20.09%	18.68%	18.86%

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				
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	97,349	42,004	139,353	\$ 174,192	1.25	9.50
2018	2,512,691	1,539,529	973,162	98,345	38,535	136,880	\$ 171,100	1.25	7.11

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

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

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

Table 19

Year	Estimated Population	Mean Household Income	Per Capita Personal Income (thous)	Median Age	School Enrollment	Washington County Unemployment Rate
2009	19,650	88,905	\$34.695	39.5	4,000	8.60%
2010	19,749	88,907	\$34.695	41.7	3,961	8.20%
2011	19,772	90,873	\$34.698	41.7	4,052	6.10%
2012	19,803	90,122	\$35.781	40.2	3,999	6.40%
2013	19,811	90,081	\$35.690	41.4	3,987	5.10%
2014	19,891	90,702	\$35.670	41.9	3,909	4.30%
2015	19,972	91,780	\$36.304	42.0	3,913	3.40%
2016	20,008	94,567	\$36,668	42.2	3,895	3.10%
2017	19,965	100,490	\$37.717	42.6	3,915	2.20%
2018	20,183	100,490 est	\$40.404	42.1	3,907	2.90%

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 2017 American Community Survey (based on a 5 year est.

US Census Bureau

Village of Germantown, Wisconsin

Table 20

Principal Employers

Current Year and Nine Years Ago

Employer	2018			2009		
	² Employees	Rank	Percentage of Total Village Population	¹ Employees	Rank	Percentage of Total Village Population
MGS Mfg	600	1	2.97%	92	10	0.46%
Germantown School District	546	2	2.71%	560	1	2.80%
J.W. Speaker Company	500	3	2.48%			
Ellsworth Adhesives	450	4	2.23%			
Village of Germantown	³ 423	5	2.10%	194	5	0.97%
Banner Weld				100	9	0.50%
Gehl's Foods	400	6	1.98%	220	3	1.10%
GKN Sintered Metals	333	7	1.65%	425	2	2.12%
Moldmakers	300	8	1.49%			
David Frank Landscape	300	9	1.49%			
Wago	250	10	1.24%			
Virginia Highlands				105	8	0.52%
West Rock - Tenn (prev. Smurfit)				209	4	1.04%
Airgas Corporation				185	6	0.92%
Great Lakes Packaging				125	7	0.62%
Total	4,102		20.55%	2215		11.07%

Source:

¹ Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated April 1, 2010

² Reference USA, written and telephone survey (March 2019), 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 for employment data

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

⁴ Population - Wisconsin Department of Administration, Demographics Services Center
2009 estimation (20,001) 2018 Estimation (20,183) 2010 US Census 19,749

Village of Germantown, Wisconsin

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

Table 21

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	61.35	63.35
Public Works	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16	18.16	18.16
Culture & Recreation	23.12	23.12	23.12	23.12	23.50	23.50	23.50	23.75	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	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	9.05
Sewer	<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>	<u>8.12</u>
Total *	120.95	120.95	120.95	120.95	121.73	121.73	121.73	121.98	126.98	130.03
Total # of W2's	400	397	402	399	426	434	467	467	422	435

Source: Village of Germantown, * Total count equals regular full time and part time personnel, does not include seasonal, recreation programs or Paid on Call or pollworkers
Utility FTE counts from 2008-2016 were updated in 2017 to reflect salary budget worksheets.

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

Table 22

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Number of Sworn Officers	31	31	31	31	31	31	31	31	32	32
Number of Citations	2,453	2,823	2,682	3,207	3,150	2,539	2,888	2,538	2,201	2,550
Fire										
Number of Employees - Full Time	4	4	4	4	4	4	4	4	8	10
Number of Employees - Part Time	4	4	4	4	4	4	4	4	0.5	0.5
Number of Employees - Paid on Call	35	35	35	35	35	35	38	35	29	23
Public Works										
Street Surfacing/Sealcoating (miles)	3.27	2.34	3.89	5.39	2.77	1.83	1.03	6.00	9.00	0.36
Asphalt Resurface/Repairs (miles)	0.00	0.25	0.45	0.95	0.10	0.75	0.42	3.86	2.49	2.00
Culture & Recreation										
Parks										
Acerage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library										
Volumes in Collection	146,685	159,589	176,121	174,269	175,186	154,917*	155,249	149,086	145,823	147,515
Volumes in Collection - Digital									215,158	203,411
Water and Sewer										
Number of Water Customers	5479	5510	5238	5255	5311	5359	5440	5460	5464	5477
Average Daily Water Consumption (gallons)	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	1,596,058
Number of Sewer Customers	5,744	5,770	5,497	5511	5552	5603	5682	5696	5705	5715

* 2014 Library Collections - removed more volumes than usual, back issues of magazine, video's, 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	1 *
Public Works										
Miles of Road (miles)	129.96	129.96	129.30	129.58	129.58	129.58	129.69	130.07	130.70	132.65
Sidewalks (miles)	19.45	19.66	19.76	19.76	20.38	20.38	20.48	21.25	22.05	22.86
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	7	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)	88.55	88.38	88.99	89.152	89.074	89.599	89.600	91.773	92.446	94.600
Fire Hydrants	1,130	1,133	1,142	1,301	1,301	1,308	1,308	1,327	1,335	1,357
Sewer										
Sanitary Sewer (miles)	89.05	89.34	89.50	90.50	93.00	96.00	97.62	99.16	101.83	103.21

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

* Consolidated Services into Fire Station II Fire Station "I" will be available for other Village Uses

Village of Germantown, Wisconsin
Building Permits
Last Ten Fiscal Years

Table 24

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>No. of All Building Permits</u>										
Including additions & remodeling	454	496	432	490	598	607	554	623	654	745
Valuation	\$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	\$ 93,333,788
<u>New Single Family Homes</u>										
No. of building permits	15	18	25	24	54	60	40	38	53	15
Valuation	\$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	\$4,628,865
<u>New Multiple Family Buildings</u>										
No. of building permits	1	1	0	2	9	2	0	0	2	2
No. of units	2	2	0	4	18	4	0	0	127	43
Valuation	\$362,000	\$362,000	\$0	\$825,000	\$3,022,250	\$1,080,000	\$0	\$0	\$34,042,000	\$4,336,000
<u>New Commercial/Industrial Buildings</u>										
No. of building permits	2	70	2	7	1	4	6	2	0	6
Valuation	\$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	\$48,286,000

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