

VILLAGE OF BROWN DEER, WISCONSIN
**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION**
YEAR ENDED DECEMBER 31, 2021



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, the schedule of changes in total OPEB liability and related ratios, and the proportionate share of the net pension liability (asset) and schedule of contributions – Wisconsin Retirement System be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Government Accounting Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historic context. Our opinion on the financial statements is not affected by the missing information.

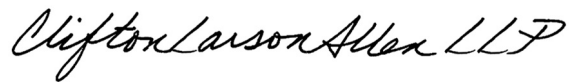
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village’s basic financial statements. The combining governmental fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the combining governmental fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 17, 2023

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 7,925,722	\$ 3,999,309	\$ 11,925,031
Receivables, Net:			
Taxes	7,956,119	-	7,956,119
Special Assessments	218,255	-	218,255
Accounts	712,839	1,107,285	1,820,124
Prepaid Materials and Supplies	-	26,963	26,963
Investments in CVMIC	429,675	-	429,675
Restricted Assets:			
Cash and Cash Equivalents - Unspent			
Bond Proceeds	-	184,205	184,205
Pension Asset	2,576,236	105,805	2,682,041
Capital Assets:			
Land	3,664,123	11,654	3,675,777
Construction in Process	-	61,618	61,618
Other Capital Assets, Net of Depreciation	28,570,428	18,790,467	47,360,895
Total Assets	52,053,397	24,287,306	76,340,703
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items	4,270,940	177,964	4,448,904
OPEB	77,241	-	77,241
Unamortized Loss on Refunding	302,454	-	302,454
Total Deferred Outflows of Resources	4,650,635	177,964	4,828,599
LIABILITIES			
Accounts Payable and Accrued Expenses	1,266,870	644,178	1,911,048
Accrued Interest Payable	163,759	78,321	242,080
Special Deposits	64,181	40,909	105,090
Noncurrent Liabilities:			
Due Within One Year	2,899,765	815,349	3,715,114
Due in More than One Year	23,702,815	4,497,874	28,200,689
Net OPEB Liability	870,262	-	870,262
Total Liabilities	29,587,238	6,076,631	35,663,869
DEFERRED INFLOWS OF RESOURCES			
Pension Items	5,643,430	231,774	5,875,204
OPEB	9,552	-	9,552
Subsequent Year Tax Levy	11,903,850	-	11,903,850
Total Deferred Inflows of Resources	17,556,832	231,774	17,788,606

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	\$ 10,154,914	\$ 13,768,449	\$ 23,923,363
Restricted for:			
Library	314,796	-	314,796
Municipal Court	582,177	-	582,177
Pension	2,576,236	105,805	2,682,041
Other	258,236	-	258,236
Unrestricted	<u>(4,326,397)</u>	<u>4,282,611</u>	<u>(43,786)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 9,559,962</u>	<u>\$ 18,156,865</u>	<u>\$ 27,716,827</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 1,625,721	\$ 541,033	\$ 21,145	\$ 1,000	\$ (1,062,543)	\$ -	\$ (1,062,543)
Public Safety	7,445,649	621,256	198,968	40,200	(6,585,225)	-	(6,585,225)
Public Works	2,357,162	305,190	606,280	(26,627)	(1,472,319)	-	(1,472,319)
Health and Human Services	1,464,886	761,287	716,679	-	13,080	-	13,080
Culture, Recreation, and Education	2,155,534	244,646	30,342	-	(1,880,546)	-	(1,880,546)
Conservation and Development	412,987	-	-	-	(412,987)	-	(412,987)
Interest and Fiscal Charges	619,397	-	-	-	(619,397)	-	(619,397)
Total Governmental Activities	16,081,336	2,473,412	1,573,414	14,573	(12,019,937)	-	(12,019,937)
Business-Type Activities:							
Water Utility	1,808,597	2,046,145	-	97,185	-	334,733	334,733
Sewer Utility	1,503,120	1,795,414	-	-	-	292,294	292,294
Storm Water Utility	1,626,252	1,005,607	-	-	-	(620,645)	(620,645)
Total Business-Type Activities	4,937,969	4,847,166	-	97,185	-	6,382	6,382
Total Primary Government	<u>\$ 21,019,305</u>	<u>\$ 7,320,578</u>	<u>\$ 1,573,414</u>	<u>\$ 111,758</u>	(12,019,937)	6,382	(12,013,555)
GENERAL REVENUES							
Property Taxes:							
Levied for General Purposes					6,906,441	-	6,906,441
Levied for Debt Services					1,868,541	-	1,868,541
Levied for Capital Projects					1,808,804	-	1,808,804
Hotel Room Taxes					437,912	-	437,912
Intergovernmental Revenues not Restricted to Specific Programs					1,506,295	-	1,506,295
Investment Income					(262)	6,445	6,183
Rental Income					-	158,822	158,822
Other					127,895	76,287	204,182
Total General Revenues					12,655,626	241,554	12,897,180
TRANSFERS							
					318,861	(318,861)	-
CHANGE IN NET POSITION							
					954,550	(70,925)	883,625
Net Position - Beginning of Year					8,605,412	18,227,790	26,833,202
NET POSITION - END OF YEAR							
					<u>\$ 9,559,962</u>	<u>\$ 18,156,865</u>	<u>\$ 27,716,827</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	TIF No. 4	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 3,315,429	\$ 225,087	\$ 251,757	\$ 4,133,449	\$ 7,925,722
Receivables, Net:					
Taxes:					
Tax Levy	4,690,492	1,226,716	554,083	1,484,828	7,956,119
Special Charges and Assessments on Tax Roll	-	-	-	218,255	218,255
Accounts	224,168	128	21,480	433,583	679,359
Due from Other Funds	1,145,408	-	-	-	1,145,408
Advances to Other Funds	5,459,204	-	-	-	5,459,204
	<u>\$ 14,834,701</u>	<u>\$ 1,451,931</u>	<u>\$ 827,320</u>	<u>\$ 6,270,115</u>	<u>\$ 23,384,067</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 683,301	\$ 1,900	\$ 18,400	\$ 563,269	\$ 1,266,870
Due to Other Funds	-	486,005	-	659,403	1,145,408
Advances from Other Funds	-	-	5,459,204	-	5,459,204
Special Deposits	64,181	-	-	-	64,181
Unearned Revenues	-	-	-	619,586	619,586
Total Liabilities	<u>747,482</u>	<u>487,905</u>	<u>5,477,604</u>	<u>1,842,258</u>	<u>8,555,249</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year Tax Levy	6,838,879	1,788,554	807,854	2,468,563	11,903,850
Unavailable Revenues	-	-	-	9,167	9,167
Total Deferred Inflows of Resources	<u>6,838,879</u>	<u>1,788,554</u>	<u>807,854</u>	<u>2,477,730</u>	<u>11,913,017</u>
FUND BALANCES					
Nonspendable:					
Advances to Other Funds	5,459,204	-	-	-	5,459,204
Restricted:					
Tax Increment District Development	-	-	-	108,656	108,656
Library	-	-	-	314,796	314,796
Police Donations	34,094	-	-	-	34,094
Village Grant	-	-	-	8,710	8,710
Police Asset Forfeiture	-	-	-	12,844	12,844
Police Servicing	-	-	-	4,126	4,126
Park and Recreation	-	-	-	83,346	83,346
Municipal Court	-	-	-	582,177	582,177
Tourism Commissions	-	-	-	115,116	115,116
Committed:					
Street Lighting	-	-	-	277,199	277,199
North Shore Health Department	-	-	-	481,394	481,394
Recycling	-	-	-	619,878	619,878
Park and Recreation	-	-	-	166,977	166,977
Unassigned (Deficit)	1,755,042	(824,528)	(5,458,138)	(825,092)	(5,352,716)
Total Fund Balances	<u>7,248,340</u>	<u>(824,528)</u>	<u>(5,458,138)</u>	<u>1,950,127</u>	<u>2,915,801</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,834,701</u>	<u>\$ 1,451,931</u>	<u>\$ 827,320</u>	<u>\$ 6,270,115</u>	<u>\$ 23,384,067</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Fund Balances of Governmental Funds	\$ 2,915,801
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.	32,234,551
Special assessments and other receivables recognized as revenue.	9,167
Deferred outflows related to refunding losses are not current financial resources and, therefore, are not reported in the governmental funds.	302,454
Deferred outflows related to pension and OPEB are not current financial resources and, therefore, are not reported in the governmental funds.	4,348,181
Deferred inflows related to pension and OPEB are not current financial resources and, therefore, are not reported in the governmental funds.	(5,652,982)
Pension asset that is not a current financial resource.	2,576,236
Internal service fund is used by management to charge the costs of insurance to specific funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	463,155
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and Notes Payable	(24,500,307)
Unamortized Premium	(647,353)
Amount Due to Developer	(980,000)
Compensated Absences	(474,920)
Net Other Postemployment Benefits Liability	(870,262)
Accrued Interest	<u>(163,759)</u>
Net Position of Governmental Activities	<u><u>\$ 9,559,962</u></u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Debt Service	TIF No. 4	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,933,729	\$ 1,868,541	\$ 11,172	\$ 2,230,478	\$ 11,043,920
Intergovernmental Revenues	1,784,013	-	6,360	976,622	2,766,995
Licenses and Permits	352,457	-	-	160,234	512,691
Fines, Forfeitures, and Penalties	53,489	-	-	252,332	305,821
Public Charges for Services	50,488	-	-	695,457	745,945
Public Improvement Revenues	-	-	-	39,763	39,763
Interdepartmental Charges for Services	857,149	-	-	530,970	1,388,119
Commercial Revenues	112,810	12	96,284	162,949	372,055
Total Revenues	<u>10,144,135</u>	<u>1,868,553</u>	<u>113,816</u>	<u>5,048,805</u>	<u>17,175,309</u>
EXPENDITURES					
Current:					
General Government	1,656,564	-	-	-	1,656,564
Public Safety	6,943,612	-	-	487,611	7,431,223
Public Works	1,534,882	-	-	434,862	1,969,744
Health and Human Services	145,342	-	-	1,416,301	1,561,643
Culture, Recreation, and Education	218,640	-	-	853,221	1,071,861
Conservation and Development	388,738	-	161,246	273,304	823,288
Capital Outlay	-	-	18,400	1,798,742	1,817,142
Debt Service:					
Principal Retirement	-	1,275,000	250,000	1,254,050	2,779,050
Interest and Fiscal Charges	-	688,469	54,542	78,255	821,266
Total Expenditures	<u>10,887,778</u>	<u>1,963,469</u>	<u>484,188</u>	<u>6,596,346</u>	<u>19,931,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(743,643)	(94,916)	(370,372)	(1,547,541)	(2,756,472)
OTHER FINANCING SOURCES (USES)					
Transfers In	318,861	-	250,000	-	568,861
Transfers Out	(71,086)	-	-	(250,000)	(321,086)
Proceeds from the Sale of Capital Assets	1,150	-	-	-	1,150
Total Other Financing Sources (Uses)	<u>248,925</u>	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>	<u>248,925</u>
NET CHANGE IN FUND BALANCES	(494,718)	(94,916)	(120,372)	(1,797,541)	(2,507,547)
Fund Balances - Beginning of Year	<u>7,743,058</u>	<u>(729,612)</u>	<u>(5,337,766)</u>	<u>3,747,668</u>	<u>5,423,348</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,248,340</u>	<u>\$ (824,528)</u>	<u>\$ (5,458,138)</u>	<u>\$ 1,950,127</u>	<u>\$ 2,915,801</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Change in Fund Balances - Total Governmental Funds	\$ (2,507,547)
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is capitalized and they are depreciated over their useful lives and reported estimated useful lives and reported as depreciation expense.</p>	
Capital asset additions in the government-wide financial statements.	1,528,230
Depreciation is reported in the government-wide financial statements.	(1,674,521)
Receivables not currently available are reported as revenue when collected or when currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	(26,627)
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.	
Principal Repaid	2,779,050
Some expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds.	
Other Postemployment Benefits	(33,718)
Pension	756,274
Compensated Absences	(47,884)
Accrued Interest on Debt	216,197
Amortization of Loss on Refunding	(51,653)
Amortization of Premium	37,325
Internal service funds are used by management to charge self-insurance costs to individual funds. The increase in net position of the internal service fund is reported with governmental activities.	<u>(20,576)</u>
Change in Net Position of Governmental Activities	<u>\$ 954,550</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Totals	Internal Service Fund
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,412,484	\$ 1,309,780	\$ 1,277,045	\$ 3,999,309	\$ -
Accounts Receivable	457,436	375,933	273,916	1,107,285	33,480
Prepaid Materials and Supplies	26,963	-	-	26,963	-
Due from Other Funds	-	939,534	-	939,534	-
Restricted Assets - Cash and Cash Equivalents:					
Unspent Bond Proceeds	-	50,807	133,398	184,205	-
Total Current Assets	<u>1,896,883</u>	<u>2,676,054</u>	<u>1,684,359</u>	<u>6,257,296</u>	<u>33,480</u>
NONCURRENT ASSETS					
Restricted Assets:					
Net Pension Asset	-	56,401	49,404	105,805	-
Capital Assets:					
Land	11,654	-	-	11,654	-
Structures, Improvements, and Equipment	15,502,812	9,485,444	8,411,506	33,399,762	-
Construction in Progress	7,524	-	54,094	61,618	-
Less: Accumulated Depreciation	(5,846,967)	(4,691,848)	(4,070,480)	(14,609,295)	-
Other Assets:					
Investment in CVMIC	-	-	-	-	429,675
Total Noncurrent Assets	<u>9,675,023</u>	<u>4,849,997</u>	<u>4,444,524</u>	<u>18,969,544</u>	<u>429,675</u>
Total Assets	<u>11,571,906</u>	<u>7,526,051</u>	<u>6,128,883</u>	<u>25,226,840</u>	<u>463,155</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension Items	-	90,243	87,721	177,964	-
Total Deferred Outflows of Resources	<u>-</u>	<u>90,243</u>	<u>87,721</u>	<u>177,964</u>	<u>-</u>
CURRENT LIABILITIES					
Accounts Payable and Accrued Liabilities	465,197	126,171	52,810	644,178	-
Estimated Claims Payable	-	-	-	-	-
Accrued Interest	9,723	39,844	28,754	78,321	-
Unearned Revenue	40,909	-	-	40,909	-
Due to Other Funds	-	-	939,534	939,534	-
Current Portion of Accumulated Sick and Vacation Pay	-	5,639	9,710	15,349	-
Current Portion of Long-Term Liabilities	246,750	191,000	362,250	800,000	-
Total Current Liabilities	<u>762,579</u>	<u>362,654</u>	<u>1,393,058</u>	<u>2,518,291</u>	<u>-</u>
NONCURRENT LIABILITIES					
Accumulated Sick and Vacation Pay	-	6,749	11,630	18,379	-
Net pension liability	-	-	-	-	-
Long-Term Bonds and Notes Payable	1,550,850	869,668	2,058,977	4,479,495	-
Total Noncurrent Liabilities	<u>1,550,850</u>	<u>876,417</u>	<u>2,070,607</u>	<u>4,497,874</u>	<u>-</u>
Total Liabilities	<u>2,313,429</u>	<u>1,239,071</u>	<u>3,463,665</u>	<u>7,016,165</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES					
Pension Items	-	123,550	108,224	231,774	-
Total Deferred Inflows of Resources	<u>-</u>	<u>123,550</u>	<u>108,224</u>	<u>231,774</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	7,877,423	3,783,735	2,107,291	13,768,449	-
Restricted - Pension	-	56,401	49,404	105,805	-
Unrestricted	1,381,054	2,413,537	488,020	4,282,611	463,155
Total Net Position	<u>\$ 9,258,477</u>	<u>\$ 6,253,673</u>	<u>\$ 2,644,715</u>	<u>\$ 18,156,865</u>	<u>\$ 463,155</u>

See accompanying Notes to Basic Financial Statements.

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities				Governmental
	Water Utility	Sewer Utility	Storm Water Utility	Totals	Internal Service Fund
OPERATING REVENUES					
Sale of Water	\$ 2,046,145	\$ -	\$ -	\$ 2,046,145	\$ -
Sewage Collection Charges	-	1,795,414	-	1,795,414	-
Storm Water Charges	-	-	1,005,607	1,005,607	-
Other Operating Revenues	-	-	-	-	15,605
Total Operating Revenues	2,046,145	1,795,414	1,005,607	4,847,166	15,605
OPERATING EXPENSES					
Operation and Maintenance	1,443,132	1,359,643	632,312	3,435,087	124,855
Depreciation	282,428	138,886	274,842	696,156	-
Total Operating Expenses	1,725,560	1,498,529	907,154	4,131,243	124,855
OPERATING INCOME (LOSS)	320,585	296,885	98,453	715,923	(109,250)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	(9)	7,869	(1,415)	6,445	17,588
Rental Income	158,822	-	-	158,822	-
Miscellaneous Revenue	18,578	-	57,709	76,287	-
Developer Incentives	-	-	(650,000)	(650,000)	-
Interest Expense	(83,037)	(4,591)	(69,098)	(156,726)	-
Total Nonoperating Revenues (Expenses)	94,354	3,278	(662,804)	(565,172)	17,588
INCOME (LOSS) BEFORE TRANSFERS	414,939	300,163	(564,351)	150,751	(91,662)
CONTRIBUTED CAPITAL	97,185	-	-	97,185	-
TRANSFERS IN	-	-	-	-	71,086
TRANSFERS OUT	(318,861)	-	-	(318,861)	-
CHANGE IN NET POSITION	193,263	300,163	(564,351)	(70,925)	(20,576)
Net Position - Beginning of Year	9,065,214	5,953,510	3,209,066	18,227,790	483,731
NET POSITION - END OF YEAR	<u>\$ 9,258,477</u>	<u>\$ 6,253,673</u>	<u>\$ 2,644,715</u>	<u>\$ 18,156,865</u>	<u>\$ 463,155</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from Customers	\$ 1,892,422	\$ 2,183,236	\$ 926,298	\$ 5,001,956	\$ 15,605
Paid to Suppliers for Goods and Services	(1,100,911)	(1,310,281)	(411,714)	(2,822,906)	(124,855)
Paid to Employees for Services	-	(118,978)	(236,742)	(355,720)	-
Net Cash Provided (Used) by Operating Activities	791,511	753,977	277,842	1,823,330	(109,250)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Miscellaneous Receipts	18,578	-	57,709	76,287	-
Intergovernmental Service Receipts	-	-	1,241,431	1,241,431	-
Developer Incentive Payment	-	-	(650,000)	(650,000)	-
Interfund Borrowings	-	(554,623)	554,623	-	-
Transfer In - Operating Transfer	-	-	-	-	71,086
Transfer Out - Paid for Tax Equivalent	(318,861)	-	-	(318,861)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(300,283)	(554,623)	1,203,763	348,857	71,086
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Long-Term Debt	(248,250)	(174,000)	(352,750)	(775,000)	-
Interest Paid on Long-Term Debt	(106,158)	(40,289)	(85,198)	(231,645)	-
Acquisition and Construction of Capital Assets	(383,019)	(550,332)	(54,094)	(987,445)	-
Net Cash Used by Capital and Related Financing Activities	(719,359)	(764,621)	(492,042)	(1,976,022)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Rental Income Received	158,822	-	-	158,822	-
Investment Income Received	(9)	7,869	(1,415)	6,445	1
Net Cash Provided (Used) by Investing Activities	158,813	7,869	(1,415)	165,267	1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69,318)	(557,398)	988,148	361,432	(38,163)
Cash and Cash Equivalents - Beginning of Year	1,481,802	1,917,985	422,295	3,822,082	38,163
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,412,484</u>	<u>\$ 1,360,587</u>	<u>\$ 1,410,443</u>	<u>\$ 4,183,514</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Business-Type Activities - Enterprise				Governmental Activities
	Water Utility	Sewer Utility	Storm Water Utility	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 320,585	\$ 296,885	\$ 98,453	\$ 715,923	\$ (109,250)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	282,428	138,886	274,842	696,156	-
(Increase) Decrease in Assets:					
Accounts Receivable	(108,783)	387,822	(79,309)	199,730	-
Inventory	(7,315)	-	-	(7,315)	-
Net Pension Asset	-	(56,401)	(49,404)	(105,805)	-
Deferred Outflows of Resources	-	(49,798)	(3,678)	(53,476)	-
Increase (Decrease) in Liabilities:					
Accounts Payable and Accrued Liabilities	349,536	(51,898)	2,621	300,259	-
Unearned Revenue	(44,940)	-	-	(44,940)	-
Net Pension Liability	-	17,535	36,954	54,489	-
Deferred Inflows of Resources	-	70,946	(2,637)	68,309	-
Accumulated Sick Leave Payable	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 791,511</u>	<u>\$ 753,977</u>	<u>\$ 277,842</u>	<u>\$ 1,823,330</u>	<u>\$ (109,250)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS					
Cash and Cash Equivalents	\$ 1,412,484	\$ 1,309,780	\$ 1,277,045	\$ 3,999,309	\$ -
Restricted Cash and Cash Equivalents	-	50,807	133,398	184,205	-
Cash and Cash Equivalents	<u>\$ 1,412,484</u>	<u>\$ 1,360,587</u>	<u>\$ 1,410,443</u>	<u>\$ 4,183,514</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021**

	<u>Property Tax</u>
ASSETS	
Cash and Cash Equivalents	\$ 6,300,686
Taxes Receivable	<u>13,279,818</u>
Total Assets	<u><u>\$ 19,580,504</u></u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 194,964
Due to Other Taxing Units	<u>6,105,722</u>
Total Liabilities	6,300,686
DEFERRED INFLOW OF RESOURCES	
Subsequent Year Property Tax	13,279,818
NET POSITION	
Restricted	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 19,580,504</u></u>

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Property Tax
ADDITIONS	
Tax Collections	\$ 5,512,866
DEDUCTIONS	
Payments to Other Governments	5,512,866
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Brown Deer, Wisconsin (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

This report includes all funds of the Village. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body or (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The Brown Deer Library Foundation (the Foundation) is a blended component unit of the Brown Deer Library (the Library) because the Library appoints the voting majority of the Foundation's board, the Library can impose its will on the Foundation, and the Foundation provides services exclusively to the Library, but due to its insignificance in relation to the financial statements, it is not included as a component unit of the Library in this report. The Brown Deer Foundation (the BD Foundation) is a blended component unit of the Village because the Village appoints the voting majority of the BD Foundation's board, the Village can impose its will on the Foundation, and the Foundation provides services exclusively to the Village, but due to its insignificance in relation to the financial statements, it is not included as a component unit of the Village in this report. The Village also considers the Community Development Authority (CDA) to be a component unit of the Village because the Village appoints the voting majority of

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

the CDA's board, the Village can impose its will on the CDA, and the CDA provides services exclusively to the Village. However, the CDA is currently inactive.

B. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for activities that state and local governments carry out for the benefit of individuals or other agencies outside the government. The Village utilizes a custodial fund which is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investments trust funds, or private-purpose trust fund.

C. Government-Wide and Fund Financial Statements

The government-wide activities (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The Village reports the following major enterprise funds:

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports the following nonmajor governmental fund types:

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).

Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plans.

The Village reports the following special revenue funds:

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

The Village reports the following capital projects funds:

Capital Improvements Fund, TIF No. 2 Fund and TIF No. 3 Fund.

In addition, the Village reports the following fund types:

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

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

Custodial funds are used to account for fiduciary activities of the Village that are not held in a trust or equivalent arrangement that meets specific criteria.

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, other postemployment benefits and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Compensated absences are reported in the governmental funds only if they have matured.

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The proprietary funds distinguish operating revenues and expenses from 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, sewer, and storm water utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investment of Village funds is restricted by Wisconsin State Statute 66.0603. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy which states the Village's investments shall be in accordance with state statutes and provides the following guidelines for allowable investments:

Custodial Credit Risk

Collateralization is required on certificates of deposit that exceed the FDIC insurance limits and repurchase agreements. The amount to be collateralized is 100% of the market value of principal and accrued interest. The Village chooses to limit its collateral to U.S. Treasury securities and its agencies. Collateral must be held by an independent third party with whom the Village has a current custodial agreement.

The Village's policy also restricts its investment advisor from taking possession of Village funds or investment securities.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

Credit Risk and Concentration of Credit Risk

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

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

Interest Rate Risk

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (the SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the Village's share of LGIP's assets was substantially equal to the amount as reported in these financial statements.

F. Interfund Receivables/Payables

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Materials and Supplies and Prepays

Governmental fund materials and supplies items are charged to expenditure accounts when purchased. Year-end materials and supplies were not significant. Proprietary fund materials and supplies are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at the lower of cost or market on a first-in/first-out (FIFO) basis based on physical quantities on hand. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

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

Restricted Cash - Unspent Bond Proceeds

The Village occasionally will issue debt to finance capital projects as specified in the bond agreement. The cash proceeds are restricted for the purposes of financing the projects. As of December 31, 2021, the Village had unspent bond proceeds of \$184,205.

I. Compensated Absence

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

All vested vacation and vested sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021 are determined on the basis of current salary rates and included salary related payments.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, 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 the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Other Post-Employment Benefits (OPEB)

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

L. Capital Assets

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

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

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. Use of Estimates

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

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village board, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Finance and Public Works Committee through the approved budget of the Village. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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

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

The Village has a formal minimum fund balance policy. That policy is to maintain a working capital amount of a minimum of 15% of the ensuing year's budgeted General Fund expenditures, with a targeted maximum of 30% of the ensuing year's budgeted expenditures. The 15% minimum balance at year-end was \$1,712,879 and is included in the unassigned General Fund balance.

P. Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts and any premiums or discounts, are reported as other financing sources or other financing uses, respectively. Payments of principal and interest, and debt issuance costs are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year-end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance of losses on refunding is shown as a deferred outflow of resources on the statement of net position.

The Village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRBs are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRBs outstanding at the end of the year is approximately \$8.820 million, made up of two issues.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

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

	Carrying Value	Bank Balance	Associated Risks
Petty Cash	\$ 5,085	\$ -	N/A
Demand Deposits	10,717,464	2,312,827	Custodial Credit Risk
Certificates of Deposit	3,494,433	3,494,433	Custodial Credit Risk, Credit and Interest Rate Risk
Money Market Accounts	4,448	4,449	Custodial Credit Risk
Local Government Investment Pool	309,527	309,527	Credit Risk and Interest Rate Risk
Municipal Bonds	2,021,887	2,021,887	Custodial Credit, Credit, Concentration of Credit Risk, and Interest Rate Risk
U.S. Agencies	1,857,078	1,857,078	Custodial Credit, Credit, Concentration of Credit Risk, and Interest Rate Risk
Total	<u>\$ 18,409,922</u>	<u>\$ 10,000,201</u>	
Reconciliation to Financial Statements:			
Per Statement of Net Position:			
Unrestricted			
Cash and Cash Equivalents	\$ 11,925,031		
Restricted Cash and Cash Equivalents	184,205		
Per Statement of Net Position -			
Agency Fund:			
Cash and Cash Equivalents	6,300,686		
Total Cash and Investments	<u>\$ 18,409,922</u>		

Deposits in each local bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. Government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, which includes a \$250,000 limit for cash.

A. Village Deposits

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

As of December 31, 2021, all of the Village's deposits were insured or collateralized.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Village Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has a separate custodian that holds the investments separate from the manager that purchases the investments.

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

As of December 31, 2021, the Village's investments were rated as follows:

Investment Type	Amount	Rating
U.S. Agencies	\$ 1,857,078	AA+
Municipal Bonds	278,251	AAA
Municipal Bonds	712,829	AA+
Municipal Bonds	869,707	AA
Municipal Bonds	161,100	Unrated
Certificates of Deposits	938,394	A+
Certificates of Deposits	248,787	A
Certificates of Deposits	227,839	A-
Certificates of Deposits	2,079,413	Unrated
LGIP	309,527	Unrated

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

At December 31, 2021, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. Agencies	6.40%
FHLB	U.S. Agencies	15.97%

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2021, the Village's investments mature as follows:

Investment Type	Investment Maturities				
	Fair Value	Less than 6 Months	6 Months to 1 Year	1-3 Years	3 or More Years
Local Government Investment Pool	\$ 309,527	\$ 309,527	\$ -	\$ -	\$ -
Certificates of Deposit	3,494,433	1,160,785	815,258	1,207,190	311,200
U.S. Agencies	1,857,078	-	-	629,361	1,227,717
Municipal Bonds	2,021,887	116,172	179,423	1,640,867	85,425
Totals	<u>\$ 7,682,925</u>	<u>\$ 1,586,484</u>	<u>\$ 994,681</u>	<u>\$ 3,477,418</u>	<u>\$ 1,624,342</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Village Investments (Continued)

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

The Village has the following recurring fair value measurements as of December 31, 2021:

U.S. agency securities of \$1,857,078, municipal bonds of \$2,021,887 and negotiable certificates of deposit of \$3,494,433 are valued using a matrix pricing model (Level 2 inputs).

NOTE 3 RECEIVABLES

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 RECEIVABLES (CONTINUED)

Property tax calendar – 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	March 31, 2022
Third installment due	May 31, 2022
Personal property taxes in full	January 31, 2022
Tax Settlements:	
Initial settlement	January 15, 2022
Second settlement	February 15, 2022
Third settlement	April 15, 2022
Fourth settlement	June 15, 2022
Final settlement	August 15, 2022
Tax deed by	
Delinquent real estate taxes	October 2024

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

The water, sewer, and storm water utilities provide services to customers primarily within the municipal boundaries. Customers are billed on a quarterly basis as of the first day of March, June, September, and December. Revenue for the month of December is estimated based on the subsequent year's March billing. Metered water sales to customers are billed at rates approved by the Public Service Commission of Wisconsin. Sewer and storm water customers are billed rates established by the Village's Board of Trustees. Delinquent balances at the time of the property tax lien date are placed on the customers' tax bill and collected through the normal tax collection process.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 RECEIVABLES (CONTINUED)

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components for deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Tax Levy / Unearned	Total
Property Taxes Receivable for Subsequent Year	\$ -	\$ 11,903,850	\$ 11,903,850
Capital Improvements	619,586	-	619,586
Policing Services	9,167	-	9,167
Total Deferred/Unearned Revenue for Governmental Funds	\$ 628,753	\$ 11,903,850	\$ 12,532,603

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 3,664,123	\$ -	\$ -	\$ 3,664,123
Construction in Progress	2,432,583	1,070,696	3,503,279	-
Total Capital Assets Not Being Depreciated	6,096,706	1,070,696	3,503,279	3,664,123
Capital Assets Being Depreciated:				
Buildings and Improvements	20,321,195	3,522,144	-	23,843,339
Library Collection	835,313	-	-	835,313
Machinery and Equipment	4,862,165	159,607	-	5,021,772
Infrastructure	20,267,621	279,062	-	20,546,683
Total Capital Assets Being Depreciated	46,286,294	3,960,813	-	50,247,107
Total Capital Assets	52,383,000	5,031,509	3,503,279	53,911,230
Less Accumulated Depreciation for:				
Buildings and Improvements	5,362,308	408,738	-	5,771,046
Library Collection	687,195	69,111	-	756,306
Machinery and Equipment	3,553,934	502,576	-	4,056,510
Infrastructure	10,398,721	694,096	-	11,092,817
Total Accumulated Depreciation	20,002,158	1,674,521	-	21,676,679
Net Capital Assets, Being Depreciated	26,284,136	2,286,292	-	28,570,428
Total Governmental Activities Capital Assets, Net	<u>\$ 32,380,842</u>	<u>\$ 3,356,988</u>	<u>\$ 3,503,279</u>	<u>\$ 32,234,551</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 11,654	\$ -	\$ -	\$ 11,654
Construction in Progress	-	61,618	-	61,618
Total Capital Assets Not Being Depreciated	11,654	61,618	-	73,272
Capital Assets Being Depreciated:				
Structures and Improvements	360,089	-	-	360,089
Water Utility System	14,239,237	472,680	32,834	14,757,683
Sewer Utility System	8,571,439	532,264	-	9,103,703
Storm Water Utility System	8,113,721	-	-	8,113,721
Machinery and Equipment	1,143,168	-	-	1,064,568
Total Capital Assets Being Depreciated	32,427,654	1,004,944	32,834	33,399,764
Total Capital Assets	32,439,308	1,066,562	32,834	33,473,036
Less Accumulated Depreciation for:				
Structures and Improvements	276,593	6,560	-	283,153
Water Utility System	4,793,646	260,912	32,834	5,021,724
Sewer Utility System	4,332,923	105,032	-	4,437,955
Storm Water Utility System	3,644,345	254,990	-	3,899,335
Machinery and Equipment	898,468	68,662	-	967,130
Total Accumulated Depreciation	13,945,975	696,156	32,834	14,609,297
Net Capital Assets, Being Depreciated	18,481,679	308,788	-	18,790,467
Total Business-Type Activities Capital Assets, Net	<u>\$ 18,493,333</u>	<u>\$ 370,406</u>	<u>\$ -</u>	<u>\$ 18,863,739</u>

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

Governmental Activities	
General Government	\$ 18,865
Public Safety	159,607
Public Works, which Includes the Depreciation of Infrastructure	425,353
Culture, Recreation, and Education	1,070,696
Total Governmental Activities Depreciation Expense	<u>\$ 1,674,521</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

Water Utility	\$	282,428
Sewer Utility		138,886
Storm Water Utility		274,842
Total Business-Type Activities		696,156
Depreciation Expense	\$	696,156

NOTE 5 LONG-TERM DEBT

A. Changes in Long-Term Liabilities

The following is a summary of changes in bonds, contracts payable, and other long-term liabilities during 2021:

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 26,930,000	\$ -	\$ 2,550,000	\$ 24,380,000	\$ 2,610,000
Unamortized Premium on Bonds	684,678		37,325	647,353	58,843
Total Bonds and Notes Payable	27,614,678	-	2,587,325	25,027,353	2,668,843
Direct Placement Notes Payable:					
G.O. Note Payable-Village of Whitefish Bay	122,980	-	60,554	62,426	62,426
G.O. Note Payable-Village of Bayside	86,377	-	28,496	57,881	28,496
Total Direct Placement Notes Payable	209,357	-	89,050	120,307	90,922
Other Liabilities:					
Amount Due to Developer	1,120,000	-	140,000	980,000	140,000
Vested Compensated Absences	427,036	141,616	93,732	474,920	-
Total Other Liabilities	1,547,036	141,616	233,732	1,454,920	140,000
Total Governmental Activities Long-Term Liabilities	\$ 29,371,071	\$ 141,616	\$ 2,910,107	\$ 26,602,580	\$ 2,899,765
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 5,945,000	\$ -	\$ 775,000	\$ 5,170,000	\$ 800,000
Unamortized Premium on Bonds	122,293		12,798	109,495	-
Total Bonds and Notes Payable	6,067,293	-	787,798	5,279,495	800,000
Other Liabilities:					
Vested Compensated Absences	33,728	-	-	33,728	15,349
Total Business-Type Activities Long-Term Liabilities	\$ 6,101,021	\$ -	\$ 787,798	\$ 5,313,223	\$ 815,349

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM DEBT (CONTINUED)

B. General Obligation Debt

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2021 was \$56,932,430. Total general obligation debt and related pledges outstanding at year-end was \$29,670,307.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Governmental Activities					
General Obligation Debt					
Taxable Issues:					
Refunding Bonds	5/9/2011	4/1/2022	1.80-4.35%	\$ 625,000	\$ 70,000
	11/26/2012	4/1/2028	1.00-3.25%	4,530,000	2,200,000
	1/4/2016	4/1/2022	0.95-2.35%	1,655,000	335,000
Whitefish Bay NSFD	11/1/2010	4/1/2022	2.00-3.00%	943,823	62,426
Bayside NSFD	4/6/2012	8/1/2023	0.80-2.30%	501,799	57,881
Tax-Exempt Issues:					
Promissory Notes	3/6/2015	4/1/2022	0.50-2.98%	1,410,000	215,000
	11/26/2012	4/1/2032	0.65-2.50%	550,000	105,000
Refunding Bonds	1/4/2016	4/1/2022	1.50-2.25%	205,000	40,000
	4/8/2018	4/1/2038	3.00-4.00%	9,995,000	9,995,000
	11/26/2018	4/1/2027	2.00-3.50%	2,355,000	1,105,000
	4/18/2019	4/1/2030	4.00%	3,110,000	2,520,000
	4/6/2020	4/1/2040	3.00%	4,985,000	4,785,000
Corporate Purpose Bonds	10/27/2014	4/1/2030	2.00-3.00%	2,025,000	1,330,000
	6/27/2016	4/1/2031	1.50-2.50%	2,450,000	1,680,000
Total Governmental Activities General Obligation Debt				<u>\$ 35,970,622</u>	<u>\$ 24,500,307</u>
Business-Type Activities					
General Obligation Debt					
Tax-Exempt Issues:					
Promissory Notes	12/12/2011	4/1/2031	2.00-3.35%	\$ 800,000	\$ 445,000
	11/26/2012	4/1/2016	2.00%	815,000	490,000
Refunding Bonds	4/3/2008	4/1/2022	1.50-2.25%	935,000	155,000
	11/26/2018	4/1/2027	2.00-3.50%	1,500,000	1,010,000
	4/18/2019	4/1/2030	4.00%	365,000	185,000
	4/6/2020	4/1/2040	3.00%	985,000	945,000
Corporate Purpose Bonds	10/27/2014	4/1/2029	2.00-3.00%	2,375,000	1,380,000
	6/27/2016	4/1/2031	1.50-2.50%	800,000	560,000
Total Business-Type Activities General Obligation Debt				<u>\$ 8,575,000</u>	<u>\$ 5,170,000</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM DEBT (CONTINUED)

C. Notes Payable

Note Payable - Village of Whitefish Bay

The Village issued a \$943,823 general obligation promissory note to the Village of Whitefish Bay for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The total balance due on the notes was \$62,426 on December 31, 2021. Principal is due annually on April 1 through 2022 and interest is due semi-annually on April 1 and October 1 with interest at rates of 2.00% to 3.00%.

Note Payable - Village of Bayside

The Village issued a \$501,799 general obligation promissory note to the Village of Bayside for a portion of various fire department projects in connection with the Village's participation in the North Shore Fire Department. The balance due on this note was \$57,881 on December 31, 2021. Principal is due annually on August 1 through 2023 and interest is due semi-annually on February 1 and August 1 with interest at rates of 0.80% to 2.30%.

D. Annual Maturities of General Obligation Debt

Debt service requirements to maturity are as follows:

Year Ending	Governmental Activities Bonds and Notes Payable		Business-Type Activities Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 2,610,000	\$ 715,021	\$ 800,000	\$ 133,137
2023	1,700,000	653,136	645,000	112,699
2024	1,745,000	601,062	565,000	95,586
2025	1,890,000	524,164	495,000	81,189
2026	1,810,000	485,829	510,000	67,796
2027-2031	7,715,000	1,675,154	1,785,000	160,097
2032-2036	4,605,000	739,507	370,000	19,813
2036-2040	2,305,000	104,125	-	-
Totals	<u>\$ 24,380,000</u>	<u>\$ 5,497,998</u>	<u>\$ 5,170,000</u>	<u>\$ 670,317</u>

Year Ending	Governmental Activities Direct Placement Notes Payable	
	Principal	Interest
2022	\$ 90,922	\$ 2,249
2023	29,385	676
Totals	<u>\$ 120,307</u>	<u>\$ 2,925</u>

VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM DEBT (CONTINUED)

E. Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability is primarily attributable to the General Fund.

During 2014, the Village entered into a TID redevelopment agreement which includes a MRO to reimburse eligible project costs incurred by the developer. This obligation is payable solely from a portion of the Tax Increment District No. 3 increment as defined by the developer agreement. Should the TID close before the project costs are repaid, the Village is liable for any additional payments. Total costs that could be reimbursed amount to \$2,180,000. The Village recognized \$140,000 in accounts payable and expense on Tax Increment District No. 3 for the amount due the developer at December 31, 2021. For purpose of the government-wide financial statements the amount has been included in accounts payable and considered a reduction of a long-term liability. The remaining balance due to the developer at December 31, 2021 is \$980,000. The Village expects to pay \$140,000 per year for seven additional years.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 NET POSITION/FUND BALANCES

Net position reported on the government-wide statement of net position at December 31, 2021 includes the following:

Governmental Activities

Net Investment in Capital Assets:

Land	\$ 3,664,123
Other Capital Assets, Net of Accumulated Depreciation	28,570,428
Less: Related Long-Term Capital Debt Outstanding	(22,382,091)
Plus: Unamortized Loss Related to Capital Debt	302,454
Total Net Investment in Capital Assets	<u>10,154,914</u>

Restricted:

Police Servicing	4,126
Library	314,796
Police Asset Forfeiture	12,844
Policing Donations	34,094
Strehlow Donation	69,260
Brown Deer Farmers Market	12,470
Community Vibes	1,616
Tourism	115,116
Municipal Court	582,177
Village Grant	8,710
Pension	2,576,236
Total Restricted	<u>3,731,445</u>
Unrestricted (Deficit)	<u>(4,326,397)</u>
Total Governmental Activities Net Position	<u><u>\$ 9,559,962</u></u>

Business-Type Activities

Net Investment in Capital Assets:

Land	\$ 11,654
Construction in Progress	61,618
Other Capital Assets, Net of Accumulated Depreciation	18,790,467
Less: Related Long-Term Capital Debt Outstanding	(5,279,495)
Plus: Unspent Capital Related Debt Proceeds	184,205
Total Net Investment in Capital Assets	<u>13,768,449</u>

Restricted:

Pension	105,805
Unrestricted	4,282,611
Total Business-Type Activities Net Position	<u><u>\$ 18,156,865</u></u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 NET POSITION/FUND BALANCES (CONTINUED)

Fund Balance Deficits

As of December 31, 2021, TIF No. 2 Fund, TIF No. 4 Fund, and Capital Improvements Fund had fund balance deficits of \$789,834, \$5,458,138, and \$35,258, respectively. The deficits are expected to be mitigated by future tax increments. The Debt Service Fund had a fund balance deficit of \$824,528

NOTE 7 INTERFUND ACCOUNTS

A. Interfund Receivables/Payables, Advances, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Interfund Receivable/ Payable:			
General	TIF No. 2	\$ 659,403	\$ -
General	Debt Service	486,005	-
Sewer Utility	Stormwater Utility	939,534	-
Total		<u>\$ 2,084,942</u>	<u>\$ -</u>
Interfund Advances:			
General Fund	TIF No. 4	<u>\$ 5,459,204</u>	<u>\$ 5,459,204</u>
Total		<u>\$ 5,459,204</u>	<u>\$ 5,459,204</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund receivables/payables are due within one year.

The interfund advance from the General Fund to TIF No. 4 is payable when TIF No. 4 generates the increment necessary to repay the General Fund. There is no stated interest rate.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERFUND ACCOUNTS (CONTINUED)

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

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

	Transfers In	Transfers Out
General Fund	\$ 318,861	\$ 71,086
TID No. 3	-	250,000
TID No. 4	250,000	-
Water Utility	-	318,861
Internal Service Fund	71,086	-
Total Fund Transfers	\$ 639,947	\$ 639,947

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

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

NOTE 8 RISK MANAGEMENT

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 RISK MANAGEMENT (CONTINUED)

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

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

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

Percentage participation can be affected by acceptance of new members to WMIC and CVMIC. The Village's percentage participation in WMIC and CVMIC on December 31, 2021 was approximately 1.625%. Upon dissolution, the Village would be entitled to a lump sum payment. As of December 31, 2021, the lump sum payment would be \$289,479.

The Village records an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon estimates from an annual actuarial study. The estimates of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Changes in the unpaid claim liability amount in fiscal years 2020 and 2021 were:

Year	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2020	\$ 37,690	\$ -	\$ 37,690	\$ -
2021	-	-	-	-

At December 31, 2021, the internal service fund established for liability insurance has a net position of \$463,155.

NOTE 9 COMMITMENTS AND CONTINGENCIES

From time-to-time, the Village becomes involved in legal actions and claims, most of which normally occur in governmental operations. Legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any proceedings known to exist at December 31, 2021, are not likely to have a material adverse impact on the Village's financial position.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Claims and Judgments

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

NOTE 10 DEFINED BENEFIT PENSION PLAN

A. Wisconsin 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. WRS is administered by the Wisconsin Department of Employee Trust Funds (ETF). WRS provides coverage to all eligible state of Wisconsin local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS.

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

Vesting

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Wisconsin Retirement System (Continued)

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Post Retirement Adjustments

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Post Retirement Adjustments (Continued)

<u>Year</u>	<u>Core Fund Adjustments</u>		<u>Variable Fund Adjustments</u>	
2011	(1.2)	%	11.0	%
2012	(7.0)		(7.0)	
2013	(9.6)		9.0	
2014	4.7		25.0	
2015	2.9		2.0	
2016	0.5		(5.0)	
2017	2.0		4.0	
2018	2.4		17.0	
2019	0.0		(10.0)	
2020	1.7		21.0	

Contributions

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

During the reporting period, WRS recognized \$489,326 in contributions from the employer.

Contribution rates as of December 31, 2021 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

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

At December 31, 2021, the Village reported an asset of \$2,682,041 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Village's proportion was 0.04295982%, which was an increase of 0.00079021% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Village recognized pension revenue of \$290,589.

At December 31, 2021, 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	\$ 3,881,735	\$ 836,119
Changes in Assumptions	60,833	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-	5,035,313
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	17,010	3,772
Employer Contributions Subsequent to the Measurement Date	489,326	-
Total	<u>\$ 4,448,904</u>	<u>\$ 5,875,204</u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

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

\$489,326 reported as deferred outflows related to pension resulting from WRS employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflow of Resources</u>
2022	\$ (493,680)
2023	(131,125)
2024	(907,490)
2025	(383,331)
Total	<u>\$ (1,915,626)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Fair market value
Long-Term Expected Rate of Return	7.00%
Discount rate	7.00%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.10% to 5.60%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.90%

*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.90% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

	Current Asset Allocation Percentage	Long-Term Expected Nominal Rate of Return Percentage	Long-Term Expected Real Rate of Return Percentage
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Total Core Fund	115.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0%	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.40%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Wisconsin Retirement System (Continued)

Single Discount Rate

A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Village’s Proportionate Share of the Net Pension Liability (Assets)	\$ 2,552,931	\$ (2,682,041)	\$ (6,527,089)

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>

Payable to the Pension Plan

As of December 31, 2021, the Village has a payable to the pension plan in the amount of \$96,281.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

The Village provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with Wisconsin Statutes, which creates an implicit subsidy of retiree health insurance. In addition, the Village provides a monthly contribution toward the premium based upon the union contract or group the retiree was in while employed by the Village. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree can choose to not participate in the plan or continue under the Village's plan at a Medicare supplement rate.

C. Membership

At December 31, 2020, membership consisted of:

Inactive Plan Members of Beneficiaries Currently Receiving Benefit Payments	5
Active Plan Members	<u>59</u>
Total	<u><u>64</u></u>

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Total OPEB Liability

The Village's total OPEB liability of \$870,262 was measured as of December 31, 2021, and was determined by an actuarial valuation as January 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	January 1, 2021
Measurement date	December 31, 2021
Inflation	2.25%
Discount rate	2.06%
Healthcare cost trend	5.00% increasing to 6.5% then decreasing to 5.00% (2030+)
Salary increases including inflation	3.20%
Mortality	WRS; see actuarial assumptions for details
Actuarial cost method	Entry Age Normal

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

Retirement, termination, disability, and mortality rates were based on the following criteria:

Retirement Rates

This assumption is based on rates from the Wisconsin Retirement System Experience Study Report dated November 19, 2019 for general and protective participants.

Termination Rates

This assumption is based on rates from the Wisconsin Retirement System Experience Study Report dated November 19, 2019 for general and protective participants.

Disability Rates

This assumption is based on rates from the Wisconsin Retirement System Experience Study Report dated November 19, 2019 for general and protective participants.

Mortality Rates

This assumption is based on rates from the Wisconsin Retirement System Experience Study Report dated November 19, 2019 for general and protective participants.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Changes in the Total OPEB Liability

The total OPEB liability has been rolled forward as follows:

	Total OPEB Liability (a)
Balances at December 31, 2020	\$ 838,308
Changes for the year:	
Service Cost	44,584
Interest on total OPEB Liability	17,406
Changes of Benefit Terms	-
Change in Assumptions	4,488
Difference Between Expected and Actual Experience	
Benefit Payments	(34,524)
Net Changes	31,954
Balances at December 31, 2021	\$ 870,262

The following summarize changes of assumptions in determining the total OPEB liability as of December 31, 2021:

- The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.12% to 2.06% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The rate has been updated to the current fiscal year-end based on changes in market conditions as reflected in the index.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

F. Sensitivity Analysis

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1% Decrease to Discount Rate (1.06%)	Current Discount Rate (2.06%)	1% Increase to Discount Rate (3.06%)
Total OPEB Liability	\$ 948,420	\$ 870,262	\$ 798,455

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (4.00% increasing to 5.50% decreasing to 4.00%) or 1-percentage-point higher (6.00% increasing to 6.50% decreasing to 6.00%) than the current discount rate:

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 780,359	\$ 870,262	\$ 978,027

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Village recognized OPEB expense of \$68,242. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 9,552
Changes in Assumptions	77,241	-
Total	\$ 77,241	\$ 9,552

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2021, the Village reported deferred outflows and deferred inflows of resources that will be realized as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2022	\$ 6,252
2023	6,252
2024	6,252
2025	6,252
2026	6,252
Thereafter	<u>36,429</u>
Total	<u>\$ 67,689</u>

NOTE 12 BASIS FOR EXISTING RATES

A. Water Utility

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

B. Sewer Utility

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

C. Storm Water Utility

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

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13 OTHER POLICIES – TAX INCREMENTAL DISTRICTS

A. Tax Increment District No. 2

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

As of December 31, 2021, the Village has made no amendments to the initial project plan.

B. Tax Increment District No. 3

On March 7, 2005, the Village created “Tax Incremental District No. 3, Village of Brown Deer, Wisconsin” to eliminate areas of blight and stimulate the redevelopment of West Brown Deer Road corridor within the Village. Project costs are estimated to be \$7.4 million, which will be financed through future borrowings. Property taxes to be generated in future years, measured by the increment in value of the property in the district over the base year, are to be used to retire the interest and principal of the related debt issues.

As of December 31, 2021, the Village has made no amendments to the initial project plan.

C. Tax Increment District No. 4

On March 7, 2005, the Village created “Tax Incremental District No. 4, Village of Brown Deer, Wisconsin” to eliminate and stimulate the redevelopment of the original Village Planned Development District and the Teutonia Avenue corridor within the Village. Project costs are estimated to be \$6.2 million, which will be financed through future borrowings. Property taxes to be generated in future years, measured by the increment in value of the property in the district over the base year, are to be used to retire the interest and principal of the related debt issues.

As of December 31, 2021, the Village has made no amendments to the initial project plan.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 INTERMUNICIPAL AGREEMENTS

A. North Shore Fire Department

The Village is a member of the North Shore Fire Department (the Department) along with the Villages of Bayside, Fox Point, River Hills, Whitefish Bay, and the City of Glendale. The Department was created by an agreement signed in 1994 pursuant to the provisions of Sections 61.65 and 66.30 of the Wisconsin Statutes. The Department, which commenced operations on January 1, 1995, provides fire and emergency medical services to the member communities. Upon dissolution of the Department, assets will be divided by the participants then participating in accordance with the proportion of the previous year's cost allocation formula percentage. The Department is governed by a seven-member board consisting of one representative and one alternate from each municipality. Only one member from each municipality may vote. The Village has a commitment to the Department to annually finance a portion of the Department's approved expenditures. In 2021, the Village incurred expenditures of \$2.439 million for fire protection and emergency medical services under this agreement. Complete 2021 financial statements for the Department are available from the Department at 4401 West River Lane, Brown Deer, Wisconsin 53223.

B. Milwaukee Area Domestic Animal Control Commission

The Village is a member of the Milwaukee Area Domestic Animal Control Commission (the Commission) along with 18 other communities within Milwaukee County. The Commission was created by an agreement signed in 1997 pursuant to the provisions of Section 66.30 of the Wisconsin Statutes. The Commission was established to provide a jointly operated animal control services facility for domestic animals. The Commission is governed by a 19-member board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement.

C. North Shore Health Department

The North Shore Health Department (NSHD) is comprised of the Villages of Brown Deer, Bayside, Fox Point, Whitefish Bay, and River Hills, as well as the City of Glendale. The NSHD Board of Health is comprised of one member representative from each community, to be appointed by each communities president/mayor.

The Village is the fiscal agent for NSHD. Compensation is made to the Village by each individual community using a formula of direct hours and population as well as indirect costs prorated based on each community's population percentage to all NSHD municipalities' total population.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 INTERMUNICIPAL AGREEMENTS (CONTINUED)

D. Bayside Communications Center

The Village entered into a 10-year agreement with the Village of Bayside (Bayside) effective January 1, 2012 in which Bayside will provide a unified public safety answering point (PSAP). Bayside provides dispatch service to the Village, including all police and fire emergency calls, transfer calls, calls for medical emergencies, emergency rescue calls, and calls for dispatch services. The operating costs are being based on a formula that is restricted by the lesser of the State imposed levy limit plus any nonpersonnel contractual obligations or the consumer price index increase. The agreement states that the Village will make an annual capital contribution to the Bayside Communications Center with payments ranging from \$5,428 to \$16,201.

NOTE 15 SUBSEQUENT EVENTS

On June 6, 2022, the Village issued \$3,295,000 General Obligation Promissory Notes to be used for public purposes, including paying the cost of street improvement projects, buildings and equipment for the North Shore Fire Department and Dispatch Center, sewer projects, water projects and other projects listed in the Village's *2022/2023 Capital Implement Plan*. The notes pay interest at a rate of 4.00% to 5.00% on April 1st and October 1st. The notes pay principal on April 1st and have a final maturity on April 1, 2032.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 7,015,152	\$ 6,933,729	\$ (81,423)
Intergovernmental Revenues	1,727,108	1,784,013	56,905
Licenses and Permits	369,877	352,457	(17,420)
Fines, Forfeitures, and Penalties	40,000	53,489	13,489
Public Charges for Services	34,700	50,488	15,788
Interdepartmental Charges for Services	826,732	857,149	30,417
Commercial Revenues	133,842	112,810	(21,032)
Total Revenues	10,147,411	10,144,135	(3,276)
EXPENDITURES			
Current:			
General Government	1,409,757	1,656,564	(246,807)
Public Safety	6,896,880	6,943,612	(46,732)
Public Works	1,407,650	1,534,882	(127,232)
Health and Human Services	151,542	145,342	6,200
Conservation and Development	332,367	388,738	(56,371)
Culture, Recreation, and Education	230,646	218,640	12,006
Total Expenditures	10,428,842	10,887,778	(458,936)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(281,431)	(743,643)	(462,212)
OTHER FINANCING SOURCES (USES)			
Transfers In	346,000	318,861	(27,139)
Transfers Out	(64,569)	(71,086)	(6,517)
Total Other Financing Sources (Uses)	281,431	248,925	(32,506)
NET CHANGE IN FUND BALANCE	\$ -	(494,718)	\$ (494,718)
Fund Balance - Beginning of Year		7,743,058	
FUND BALANCE - END OF YEAR		\$ 7,248,340	

See Notes to Required Supplementary Information.

**VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2021**

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 44,584	\$ 32,363	\$ 31,798	\$ 32,784
Interest on Total OPEB Liability	17,406	29,981	31,247	29,980
Changes of Benefit Terms	-	(30,066)	-	-
Differences Between Expected and Actual Experience	-	(11,328)	-	-
Changes in Assumptions	4,488	86,681	-	-
Benefit Payments	(34,524)	(37,670)	(44,075)	(30,114)
Net Change in Total OPEB Liability	31,954	69,961	18,970	32,650
Total OPEB Liability, Beginning	838,308	768,347	749,377	716,727
Total OPEB Liability, Ending	<u>\$ 870,262</u>	<u>\$ 838,308</u>	<u>\$ 768,347</u>	<u>\$ 749,377</u>
Covered - Employee Payroll*	<u>\$ 6,049,736</u>	<u>\$ 5,862,148</u>	<u>\$ 5,373,826</u>	<u>\$ 5,268,457</u>
Village's total OPEB Liability as a Percentage of Covered Employee Payroll*	14.39%	14.30%	14.30%	14.22%

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
DECEMBER 31, 2021***

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

	2014	2015	2016	2017	2018	2019	2020
Village's Proportion of the Net Pension Liability (Asset)	0.04056323%	0.04060769%	0.04103731%	0.04173939%	0.04196502%	0.04216961%	0.04295982%
Village's Proportionate Share of the Net Pension Liability (Asset)	\$ (996,344)	\$ 659,867	\$ 338,245	\$ (1,239,291)	\$ 1,492,983	\$ (1,359,740)	\$ (2,682,041)
Village's Covered Payroll	\$ 4,687,391	\$ 4,851,886	\$ 4,983,360	\$ 4,989,401	\$ 4,933,700	\$ 5,214,754	\$ 5,541,702
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.74%	98.20%	99.12%	102.93%	96.45%	102.60%	105.26%
Proportionate Share of the Collective Net Pension Liability (Asset) as a Percentage of the Village's Covered Payroll	(21.26%)	13.60%	6.79%	(24.84)	30.26	(26.07)	-48.40%

SCHEDULE OF CONTRIBUTIONS

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contributions	\$ 394,968	\$ 397,074	\$ 430,918	\$ 435,197	\$ 443,093	\$ 493,612	\$ 489,326
Contributions in Relation to the Contractually Required Contributions	\$ (394,968)	\$ (397,074)	\$ (430,918)	\$ (435,197)	\$ (443,093)	\$ (493,612)	\$ (489,326)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's Covered Payroll	\$ 4,851,886	\$ 4,983,360	\$ 4,989,401	\$ 4,933,700	\$ 5,214,755	\$ 5,541,702	\$ 5,329,801
Contributions as a Percentage Covered Payroll	8.14%	7.97%	8.64%	8.82%	8.50%	8.91%	9.18%

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

The Village has elected to present the supplementary information required by GASB Statement No. 68 prospectively.

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

See Notes to Required Supplementary Information.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

NOTE 1 BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget, Budgets are adopted on a basis consistent with GAAP.

A budget has been adopted for the General Fund, Special Revenue Funds (excluding, Village Grant, and Police Asset Forfeiture), Debt Service Fund, and the Capital Projects Funds. Wisconsin Statue 65.90 requires that an annual budget be adopted for all funds levying a general property tax.

The budgeted amounts presented include any amendments adopted during the year. The Village Manager may authorize transfers of budgeted amounts within the General Fund. Transfers between funds and changes to the total budget must be approved by two-thirds of the Village board.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level for the General Fund and at the individual fund level for all other funds.

Excess of expenditures over appropriations are as follows:

	Final Budgeted <u>Expenditures</u>	Actual <u>Expenditures</u>	Excess Expenditures <u>Over Budget</u>
General Fund:			
General Government	1,409,757	1,656,564	246,807
Public Safety	6,896,880	6,943,612	46,732
Public Works	1,407,650	1,534,882	127,232
Special Revenue Funds:			
Special Assessments Fund	37,100	60,537	23,437
Library Fund	600,819	625,939	25,120
North Shore Health Department	880,028	1,416,301	536,273
Brown Deer Farmers Market	12,559	29,265	16,706
Policing Services Fund	174,465	174,466	1
Debt Service Fund	1,868,563	1,963,469	94,906
Capital Projects Funds:			
TIF No. 2	884,770	925,456	40,686
TIF No. 3	457,595	586,456	128,861

The excess of expenditures over appropriations were financed with current year revenue sources and available fund balances.

**VILLAGE OF BROWN DEER, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

Changes of assumptions: No significant change in assumptions were noted from the prior year.

NOTE 3 OTHER POSTEMPLOYMENT BENEFITS

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

Changes of assumptions:

- The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.12% to 2.06% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The rate has been updated to the current fiscal year-end based on changes in market conditions as reflected in the index.

SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

Municipal Court Fund – This fund accounts for fees collected on conviction of Municipal Court citations.

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

NONMAJOR FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TIF project plans.

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

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

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

**VILLAGE OF BROWN DEER, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue Funds									
	Village Grant	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes
ASSETS										
Cash and Cash Equivalents	\$ 8,710	\$ 267,191	\$ 457,825	\$ 127,308	\$ 12,829	\$ 765,251	\$ 169,111	\$ 69,260	\$ 10,154	\$ -
Receivables (Net):										
Taxes:										
Tax Levy	-	-	264,297	-	-	-	32,579	-	-	-
Special Charges and Assessments on Tax Roll	-	34,624	-	-	-	183,631	-	-	-	-
Accounts	-	269	462	384,102	15	1,285	15,259	-	2,316	1,616
Total Assets	\$ 8,710	\$ 302,084	\$ 722,584	\$ 511,410	\$ 12,844	\$ 950,167	\$ 216,949	\$ 69,260	\$ 12,470	\$ 1,616
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
LIABILITIES										
Accounts Payable and Accrued Liabilities	\$ -	\$ 24,885	\$ 22,442	\$ 30,016	\$ -	\$ 26,609	\$ 2,472	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	24,885	22,442	30,016	-	26,609	2,472	-	-	-
DEFERRED INFLOWS OF RESOURCES										
Subsequent Year Tax Levy	-	-	385,346	-	-	303,680	47,500	-	-	-
Other Deferred Inflows	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	385,346	-	-	303,680	47,500	-	-	-
FUND BALANCES										
Restricted	8,710	-	314,796	-	12,844	-	-	69,260	12,470	1,616
Committed	-	277,199	-	481,394	-	619,878	166,977	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	8,710	277,199	314,796	481,394	12,844	619,878	166,977	69,260	12,470	1,616
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 8,710	\$ 302,084	\$ 722,584	\$ 511,410	\$ 12,844	\$ 950,167	\$ 216,949	\$ 69,260	\$ 12,470	\$ 1,616

**VILLAGE OF BROWN DEER, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

	Special Revenue Funds (Continued)			Capital Projects Funds		Total Nonmajor Governmental Funds	
	Tourism Commission	Municipal Court	Policing Services	Capital Improvements	TIF No. 2		TIF No. 3
ASSETS							
Cash and Cash Equivalents	\$ 115,116	\$ 593,483	\$ 3,662	\$ 987,475	\$ 84,695	\$ 461,379	\$ 4,133,449
Receivables (Net):							
Taxes:							
Tax Levy	-	-	-	255,144	468,101	464,707	1,484,828
Special Charges and Assessments on Tax Roll	-	-	-	-	-	-	218,255
Accounts	-	9,594	9,631	7,541	1,379	114	433,583
Total Assets	\$ 115,116	\$ 603,077	\$ 13,293	\$ 1,250,160	\$ 554,175	\$ 926,200	\$ 6,270,115
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ 20,900	\$ -	\$ 293,832	\$ 2,113	\$ 140,000	\$ 563,269
Due to Other Governments	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	659,403	-	659,403
Unearned Revenues	-	-	-	619,586	-	-	619,586
Total Liabilities	-	20,900	-	913,418	661,516	140,000	1,842,258
DEFERRED INFLOWS OF RESOURCES							
Subsequent Year Tax Levy	-	-	-	372,000	682,493	677,544	2,468,563
Other Deferred Inflows	-	-	9,167	-	-	-	9,167
Total Deferred Inflows of Resources	-	-	9,167	372,000	682,493	677,544	2,477,730
FUND BALANCES							
Restricted	115,116	582,177	4,126	-	-	108,656	1,229,771
Committed	-	-	-	-	-	-	1,545,448
Unassigned	-	-	-	(35,258)	(789,834)	-	(825,092)
Total Fund Balances	115,116	582,177	4,126	(35,258)	(789,834)	108,656	1,950,127
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 115,116	\$ 603,077	\$ 13,293	\$ 1,250,160	\$ 554,175	\$ 926,200	\$ 6,270,115

VILLAGE OF BROWN DEER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds									
	Village Grant	Special Assessments	Library	North Shore Health Department	Police Asset Forfeiture	Recycling	Park and Recreation Program	Strehlow Donation	Brown Deer Farmers Market	Community Vibes
REVENUES										
Taxes	\$ -	\$ -	\$ 385,346	\$ -	\$ -	\$ -	\$ 47,500	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	92,944	721,280	-	43,835	-	-	-	-
Licenses and Permits	-	-	-	160,234	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	-	-	-	-
Public Charges for Services	-	-	19,990	65,257	-	292,961	117,236	-	21,115	-
Public Improvement Revenues	-	39,763	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	530,970	-	-	-	-	-	-
Commercial Revenues	-	-	133,084	(139)	(21)	10,180	19,260	(113)	(20)	1,006
Total Revenues	-	39,763	631,364	1,477,602	(21)	346,976	183,996	(113)	21,095	1,006
EXPENDITURES										
Current:										
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	60,537	-	-	-	374,325	-	-	-	-
Health and Human Services	-	-	-	1,416,301	-	-	-	-	-	-
Culture, Recreation, and Education	-	-	625,939	-	-	-	192,649	2,975	29,265	2,393
Conservation and Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	60,537	625,939	1,416,301	-	374,325	192,649	2,975	29,265	2,393
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(20,774)	5,425	61,301	(21)	(27,349)	(8,653)	(3,088)	(8,170)	(1,387)
OTHER FINANCING SOURCES (USES)										
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(20,774)	5,425	61,301	(21)	(27,349)	(8,653)	(3,088)	(8,170)	(1,387)
Fund Balances - Beginning of Year	8,710	297,973	309,371	420,093	12,865	647,227	175,630	72,348	20,640	3,003
FUND BALANCE - END OF YEAR	<u>\$ 8,710</u>	<u>\$ 277,199</u>	<u>\$ 314,796</u>	<u>\$ 481,394</u>	<u>\$ 12,844</u>	<u>\$ 619,878</u>	<u>\$ 166,977</u>	<u>\$ 69,260</u>	<u>\$ 12,470</u>	<u>\$ 1,616</u>

VILLAGE OF BROWN DEER, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds (Continued)			Capital Projects Funds			Total Nonmajor Governmental Funds
	Tourism Commission	Municipal Court	Policing Services	Capital Improvements	TIF No. 2	TIF No. 3	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 372,000	\$ 719,650	\$ 705,982	\$ 2,230,478
Intergovernmental Revenues	-	-	-	54,403	(1,145)	65,305	976,622
Licenses and Permits	-	-	-	-	-	-	160,234
Fines, Forfeitures, and Penalties	-	252,332	-	-	-	-	252,332
Public Charges for Services	-	-	178,898	-	-	-	695,457
Public Improvement Revenues	-	-	-	-	-	-	39,763
Intergovernmental Charges for Services	-	-	-	-	-	-	530,970
Commercial Revenues	-	-	(306)	1	17	-	162,949
Total Revenues	-	252,332	178,592	426,404	718,522	771,287	5,048,805
EXPENDITURES							
Current:							
Public Safety	-	313,145	174,466	-	-	-	487,611
Public Works	-	-	-	-	-	-	434,862
Health and Human Services	-	-	-	-	-	-	1,416,301
Culture, Recreation, and Education	-	-	-	-	-	-	853,221
Conservation and Development	-	-	-	-	144,652	128,652	273,304
Capital Outlay	-	-	-	1,798,742	-	-	1,798,742
Debt Service:							
Principal Retirement	-	-	-	89,050	750,000	415,000	1,254,050
Interest and Fiscal Charges	-	-	-	4,647	30,804	42,804	78,255
Total Expenditures	-	313,145	174,466	1,892,439	925,456	586,456	6,596,346
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(60,813)	4,126	(1,466,035)	(206,934)	184,831	(1,547,541)
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	-	-	-	-	(250,000)	(250,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	(250,000)	(250,000)
NET CHANGE IN FUND BALANCES	-	(60,813)	4,126	(1,466,035)	(206,934)	(65,169)	(1,797,541)
Fund Balances - Beginning of Year	115,116	642,990	-	1,430,777	(582,900)	173,825	3,747,668
FUND BALANCE - END OF YEAR	\$ 115,116	\$ 582,177	\$ 4,126	\$ (35,258)	\$ (789,834)	\$ 108,656	\$ 1,950,127

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Special Assessments Fund			Library Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 385,346	\$ 385,346	\$ -
Intergovernmental Revenues	-	-	-	91,973	92,944	971
Licenses and Permits	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-
Public Charges for Services	-	-	-	13,500	19,990	6,490
Public Improvement Revenues	40,200	39,763	(437)	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Commercial Revenues	-	-	-	110,000	133,084	23,084
Total Revenues	<u>40,200</u>	<u>39,763</u>	<u>(437)</u>	<u>600,819</u>	<u>631,364</u>	<u>30,545</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	37,100	60,537	(23,437)	-	-	-
Health and Human Services	-	-	-	-	-	-
Culture, Recreation, and Education	-	-	-	600,819	625,939	(25,120)
Total Expenditures	<u>37,100</u>	<u>60,537</u>	<u>(23,437)</u>	<u>600,819</u>	<u>625,939</u>	<u>(25,120)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,100</u>	<u>(20,774)</u>	<u>\$ (23,874)</u>	<u>\$ -</u>	<u>5,425</u>	<u>\$ 5,425</u>
Fund Balances - Beginning of Year		<u>297,973</u>			<u>309,371</u>	
FUND BALANCE - END OF YEAR		<u>\$ 277,199</u>			<u>\$ 314,796</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021

	North Shore Health Department Fund			Recycling Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	182,934	721,280	538,346	40,000	43,835	3,835
Licenses and Permits	160,000	160,234	234	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-
Public Charges for Services	16,000	65,257	49,257	332,560	292,961	(39,599)
Public Improvement Revenues	-	-	-	-	-	-
Intergovernmental Charges for Services	521,094	530,970	9,876	-	-	-
Commercial Revenues	-	(139)	(139)	12,500	10,180	(2,320)
Total Revenues	880,028	1,477,602	597,574	385,060	346,976	(38,084)
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	381,800	374,325	7,475
Health and Human Services	880,028	1,416,301	(536,273)	-	-	-
Culture, Recreation, and Education	-	-	-	-	-	-
Total Expenditures	880,028	1,416,301	(536,273)	381,800	374,325	7,475
NET CHANGE IN FUND BALANCES	\$ -	61,301	\$ 61,301	\$ 3,260	(27,349)	\$ (30,609)
Fund Balances - Beginning of Year		<u>420,093</u>			<u>647,227</u>	
FUND BALANCE - END OF YEAR		<u>\$ 481,394</u>			<u>\$ 619,878</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Park and Recreation Program Fund			Strehlow Donation Fund			Brown Deer Farmers Market Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ 47,500	\$ 47,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	-	-	-
Public Charges for Services	177,209	117,236	(59,973)	-	-	-	8,000	21,115	13,115
Public Improvement Revenues	-	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-	-
Commercial Revenues	10,700	19,260	8,560	-	(113)	(113)	-	(20)	(20)
Total Revenues	235,409	183,996	(51,413)	-	(113)	(113)	8,000	21,095	13,095
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Culture, Recreation, and Education	234,568	192,649	41,919	6,000	2,975	3,025	12,559	29,265	(16,706)
Total Expenditures	234,568	192,649	41,919	6,000	2,975	3,025	12,559	29,265	(16,706)
NET CHANGE IN FUND BALANCES	\$ 841	(8,653)	\$ (9,494)	\$ (6,000)	(3,088)	\$ 2,912	\$ (4,559)	(8,170)	\$ (3,611)
Fund Balances - Beginning of Year		175,630			72,348			20,640	
FUND BALANCE - END OF YEAR		\$ 166,977			\$ 69,260			\$ 12,470	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Community Vibes Fund			Tourism Commission Fund			Municipal Court Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	450,000	252,332	(197,668)
Public Charges for Services	1,000	-	(1,000)	-	-	-	-	-	-
Public Improvement Revenues	-	-	-	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	-	-	-
Commercial Revenues	18,500	1,006	(17,494)	-	-	-	-	-	-
Total Revenues	19,500	1,006	(18,494)	-	-	-	450,000	252,332	(197,668)
EXPENDITURES									
Current:									
Public Safety	-	-	-	-	-	-	415,403	313,145	102,258
Public Works	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Culture, Recreation, and Education	20,700	2,393	18,307	10,000	-	10,000	-	-	-
Total Expenditures	20,700	2,393	18,307	10,000	-	10,000	415,403	313,145	102,258
NET CHANGE IN FUND BALANCES	\$ (1,200)	(1,387)	\$ (187)	\$ (10,000)	-	\$ 10,000	\$ 34,597	(60,813)	\$ (95,410)
Fund Balances - Beginning of Year		<u>3,003</u>			<u>115,116</u>			<u>642,990</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,616</u>			<u>\$ 115,116</u>			<u>\$ 582,177</u>	

VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Policing Services Fund		
	Original and Final Budget	Actual	Variance with Final Budget
	Budget	Actual	Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-
Licenses and Permits	-	-	-
Fines, Forfeitures, and Penalties	-	-	-
Public Charges for Services	174,465	178,898	4,433
Public Improvement Revenues	-	-	-
Intergovernmental Charges for Services	-	-	-
Commercial Revenues	-	(306)	(306)
Total Revenues	<u>174,465</u>	<u>178,592</u>	<u>4,127</u>
EXPENDITURES			
Current:			
Public Safety	174,465	174,466	(1)
Public Works	-	-	-
Health and Human Services	-	-	-
Culture, Recreation, and Education	-	-	-
Total Expenditures	<u>174,465</u>	<u>174,466</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	4,126	<u>\$ 4,126</u>
Fund Balances - Beginning of Year		<u>-</u>	
FUND BALANCE - END OF YEAR		<u>\$ 4,126</u>	

DEBT SERVICE FUND

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

**VILLAGE OF BROWN DEER, WISCONSIN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – DEBT SERVICE FUND
 YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 1,868,563	\$ 1,868,541	\$ (22)
Commercial Revenues	-	12	12
Total Revenues	1,868,563	1,868,553	(10)
 EXPENDITURES			
Debt Service:			
Principal	1,275,000	1,275,000	-
Interest and Fiscal Charges	593,563	688,469	94,906
Total Expenditures	1,868,563	1,963,469	94,906
 NET CHANGE IN FUND BALANCE	\$ -	(94,916)	\$ (94,916)
 Fund Balance - Beginning of Year		(729,612)	
 FUND BALANCE - END OF YEAR		\$ (824,528)	

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

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

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

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

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

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2021

	TIF No. 2 Fund			TIF No. 3 Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ 719,650	\$ 719,650	\$ -	\$ 705,982	\$ 705,982	\$ -
Intergovernmental Revenues	771	(1,145)	(1,916)	14,803	65,305	50,502
Commercial Revenues	-	17	17	-	-	-
Total Revenues	<u>720,421</u>	<u>718,522</u>	<u>(1,899)</u>	<u>720,785</u>	<u>771,287</u>	<u>50,502</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Conservation and Development	129,379	144,652	(15,273)	114,379	128,652	(14,273)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	730,000	750,000	(20,000)	295,000	415,000	(120,000)
Interest and Fiscal Charges	25,391	30,804	(5,413)	48,216	42,804	5,412
Total Expenditures	<u>884,770</u>	<u>925,456</u>	<u>(40,686)</u>	<u>457,595</u>	<u>586,456</u>	<u>(128,861)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(164,349)	(206,934)	(42,585)	263,190	184,831	(78,359)
OTHER FINANCING SOURCES (USES)						
Transfer In	-	-	-	-	-	-
Transfer Out	-	-	-	-	(250,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (164,349)</u>	<u>(206,934)</u>	<u>\$ (42,585)</u>	<u>\$ 263,190</u>	<u>(65,169)</u>	<u>\$ (78,359)</u>
Fund Balances - Beginning of Year		<u>(582,900)</u>			<u>173,825</u>	
FUND BALANCE - END OF YEAR		<u>\$ (789,834)</u>			<u>\$ 108,656</u>	

VILLAGE OF BROWN DEER, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	TIF No. 4 Fund			Capital Improvements Fund		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES						
Taxes	\$ 11,172	\$ 11,172	\$ -	\$ 372,000	\$ 372,000	\$ -
Intergovernmental Revenues	6,360	6,360	-	-	54,403	54,403
Commercial Revenues	-	96,284	96,284	-	1	1
Total Revenues	<u>17,532</u>	<u>113,816</u>	<u>96,284</u>	<u>372,000</u>	<u>426,404</u>	<u>54,404</u>
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	-
Conservation and Development	160,074	161,246	(1,172)	-	-	-
Capital Outlay	-	18,400	(18,400)	2,809,496	1,798,742	1,010,754
Debt Service:						
Principal Retirement	268,700	250,000	18,700	-	89,050	(89,050)
Interest and Fiscal Charges	79,541	54,542	24,999	-	4,647	(4,647)
Total Expenditures	<u>508,315</u>	<u>484,188</u>	<u>24,127</u>	<u>2,809,496</u>	<u>1,892,439</u>	<u>917,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(490,783)	(370,372)	120,411	(2,437,496)	(1,466,035)	971,461
OTHER FINANCING SOURCES (USES)						
Transfer In	-	250,000	250,000	-	-	-
Transfer Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (490,783)</u>	<u>(120,372)</u>	<u>\$ 370,411</u>	<u>\$ (2,437,496)</u>	<u>(1,466,035)</u>	<u>\$ 971,461</u>
Fund Balances - Beginning of Year		<u>(5,337,766)</u>			<u>1,430,777</u>	
FUND BALANCE - END OF YEAR		<u>\$ (5,458,138)</u>			<u>\$ (35,258)</u>	



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village Board
Village of Brown Deer, Wisconsin
Brown Deer, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Brown Deer, Wisconsin (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Brown Deer, Wisconsin’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 17, 2023

**VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021**

Section I – Financial Statement Findings

2021 – 001: Preparation of the Financial Statements

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Village board and management share the ultimate responsibility for the Village's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The Village engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. In addition, we proposed material audit adjustments and reclassifications necessary to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

Criteria or specific requirement: Village management is responsible for establishing and maintaining internal controls over the fair presentation of the financial statements including disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP) as set by the Government Accounting Standards Board (GASB).

Context: Management has informed us that they do not have an internal control policy in place over annual financial reporting and that they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Village's internal controls in the normal course of business.

Cause: The Village relies on the audit firm to prepare the annual financial statements and related disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Repeat Finding: Yes, 2020-001

Recommendation: As independent auditors, CLA cannot be considered part of the Village's internal control system. As part of its internal control over the preparation of its financial statements, the Village should perform a comprehensive close process to ensure all balance sheet accounts have been reconciled and all revenue and expenditure accounts are complete and appropriately classified. The Village should also implement a review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Village's activities and operations.

Views of responsible officials and planned corrective actions: This is standard practice due to the staffing level at the Village that we outsource the preparation of its financial statements and accompanying disclosures. The Village worked with the auditors to develop a financial close and reporting checklist. The checklist will be implemented for use for the financial close and reporting process related to the year ending December 31, 2022.

**VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021**

Section I – Financial Statement Findings (Continued)

2021 – 002: Segregation of Duties Accounting Software

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Village treasurer/comptroller has enterprise-level access to the accounting software. Enterprise-level access allows the user full access to all functions within the accounting software. This creates the potential for a lack of segregation of duties because the enterprise-level user has the ability to initiate, post, and review a transaction. The Village treasurer/comptroller also has the responsibility to assign other users access rights to the accounting modules.

Criteria or specific requirement: Generally, a system of internal control segregates duties such that no one individual has responsibility to initiate, post, review and reconcile a transaction.

Context: While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that the duties are properly segregated. Individual users have the ability to prepare, review, and approve transactions within the general ledger without intervention from another individual to determine the appropriateness of the transaction.

Effect: Lack of segregation of duties creates an inherent risk that may allow for errors or irregularities to go undetected and uncorrected.

Cause: The Village does not have a sufficient number of individuals engaged in the performance of accounting related activities with skills, knowledge, or expertise to appropriately segregate duties.

Repeat Finding: Yes, 2020-002

Recommendation: The Village should review the activity for enterprise-level users for any activity that did not have appropriate segregation of duties. The Village should monitor the use of access rights to ensure they are appropriate for their job duties.

Views of responsible officials and planned corrective actions: The treasurer/comptroller will monitor employees' access rights to ensure they are assigned appropriate access rights on a quarterly basis. The Village manager will review, on a quarterly basis, audit logs of the enterprise-level user for any activity that did not have proper segregation of duties.

**VILLAGE OF BROWN DEER, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2021**

Section I – Financial Statement Findings (Continued)

2021 – 003: Timeliness of Financial Close and Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Village did not complete the financial close and reporting process timely for the year ended December 31, 2021.

Criteria or specific requirement: Timeliness of the financial close and reporting is essential to ensure the relevance of the information contained in the financial statements for the intended users.

Effect: Information contained in the financial statements becomes less relevant over time and limits its usability for decision making, monitoring, and other intended purposes by the intended users of the financial statements. In addition, there is an increased risk that the Village may not be timely with other key processes and controls in the financial reporting process in subsequent periods.

Cause: The Village experienced turnover in key management positions (including the Village manager and comptroller/treasurer roles). The new members of Village management began to work to complete the financial close and reporting process immediately upon appointment. The result of the turnover resulted in delays completing the financial close and reporting process.

Repeat Finding: Yes, 2020-004

Recommendation: We recommend that the Village review the financial close and reporting process to determine opportunities to improve on the timeliness of the preparation and review of tasks. This should include identifying opportunities for efficiency as well as a review of the individuals and their role in the process to determine the sufficiency of resources to complete the process.

Views of responsible officials and planned corrective actions: Management agrees with this recommendation and is implementing month-end and year-end close procedures to improve the timeliness of reporting.



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