

# PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 15, 2019

In the opinion of Griggs Law Office LLC, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, under existing law interest on the Bonds is excluded from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

**New Issue**

**Rating Application Made: Moody's Investors Service**

## VILLAGE OF GERMANTOWN, WISCONSIN (Washington County)

### \$6,725,000\* GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2019A

**BID OPENING:** January 22, 2019, 11:00 A.M., C.T.

**CONSIDERATION:** January 22, 2019, 7:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$6,725,000\* General Obligation Community Development Bonds, Series 2019A (the "Bonds") of the Village are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, consisting of paying the costs of projects listed in the Project Plan for Tax Incremental District No. 8. The Bonds are valid and binding general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Griggs Law Office LLC, Milwaukee, Wisconsin.

**DATE OF BONDS:** February 5, 2019

**MATURITY:** February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$100,000	2027	\$150,000	2033	\$600,000
2022	100,000	2028	175,000	2034	600,000
2023	100,000	2029	250,000	2035	625,000
2024	100,000	2030	550,000	2036	625,000
2025	125,000	2031	600,000	2037	650,000
2026	125,000	2032	600,000	2038	650,000

**MATURITY ADJUSTMENTS:** \* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** August 1, 2019 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing February 1, 2029 and thereafter are subject to call for prior redemption on February 1, 2028 and any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$6,651,025.

**MAXIMUM BID:** \$7,128,500.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$134,500 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** To be determined by the Issuer.

**BOND COUNSEL:** Griggs Law Office LLC.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the Village, is contingent upon the sale of the Bonds.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the Village for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the Village is exempt or required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## VILLAGE OF GERMANTOWN VILLAGE BOARD

		<u>Term Expires</u>
Dean Wolter	Village President	April 2019
David Baume	Trustee	April 2020
Terri Kaminski	Trustee	April 2021
Rick Miller	Trustee	April 2020
Robert Warren	Trustee	April 2020
Dennis Myers	Trustee	April 2021
Jeffrey Hughes	Trustee	April 2020
Arthur Zabel	Trustee	April 2021
Daniel Wing	Trustee	April 2021

### ADMINISTRATION

Steve Kreklow, Administrator  
Kim Rath, Finance Director/Treasurer  
Deanna Braunschweig, Clerk

### PROFESSIONAL SERVICES

Brian Saidak, Wesolowski, Reidenbach & Saidak, Village Attorney, Franklin, Wisconsin

Griggs Law Office LLC, Bond Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
*(Other offices located in Roseville, Minnesota and Denver, Colorado)*

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Germantown, Wisconsin (the "Village") and the issuance of its \$6,725,000\* General Obligation Community Development Bonds, Series 2019A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the Board of Trustees on January 22, 2019.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the Village's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the link to the Bond Sales and following the directions at the top of the site.

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of February 5, 2019. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The Village may designate a Village officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the Village, the Bonds maturing on or after February 1, 2029 shall be subject to optional redemption prior to maturity on February 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each

participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, consisting of paying the costs of projects listed in the Project Plan for Tax Incremental District No. 8.

**ESTIMATED SOURCES AND USES\***

<b>Sources</b>		
Par Amount of Bonds	\$6,725,000	
Est. Int Earnings	<u>31,625</u>	
<b>Total Sources</b>		<b>\$6,756,625</b>
<b>Uses</b>		
Estimated Underwriter's Discount	\$73,975	
Cost of Issuance	48,850	
Deposit to Capitalized Interest Fund	306,700	
Deposit to Project Construction Fund	6,325,000	
Rounding Amount	<u>2,100</u>	
<b>Total Uses</b>		<b>\$6,756,625</b>

**SECURITY**

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the Village will be irrevocably pledged. The Village will levy a direct, annual, irrepealable tax on all taxable property in the Village sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

**CONCURRENT FINANCING**

By means of a separate Preliminary Official Statement, the Village will be issuing \$1,755,000\* Taxable General Obligation Community Development Bonds, Series 2019B (the "Concurrent Obligations" or the "Series 2019B Bonds") on February 5, 2019.

\* Preliminary, subject to change.

## **RATING**

General obligation debt of the Village, with the exception of any outstanding credit enhanced issues, is currently rated "Aa2" by Moody's Investors Service ("Moody's").

The Village has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (hereinafter the "Rule"), the Village shall covenant to take certain actions pursuant to a Resolution adopted by the Board of Trustees by entering into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the Village to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the Village at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

In the previous five years, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule.

A failure by the Village to comply with any Disclosure Undertaking will not constitute an event of default on this issue or any issue outstanding. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org). Ehlers is currently engaged as disclosure dissemination agent for the Village.

## **LEGAL OPINION**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Griggs Law Office LLC, Bond Counsel to the Village, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

## **STATEMENT REGARDING COUNSEL PARTICIPATION**

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

## **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above referenced covenants, under present law, in the opinion of Griggs Law Office, LLC, Milwaukee, Wisconsin, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, is not included as an item of tax preference in computing the federal alternative minimum tax and is includable in adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations for tax years beginning before January 1, 2018.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The interest on the Bonds is not excluded from income and therefore, is not exempt from present Wisconsin income taxes.

## **NON-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.



## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

## **INDEPENDENT AUDITORS**

The basic financial statements of the Village for the fiscal year ended December 31, 2017 have been audited by Baker Tilly Virchow Krause, LLP, Madison, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

## **RISK FACTORS**

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Bonds are general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

**Ratings; Interest Rates:** In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

**Tax Exemption:** If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the Village with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Bonds in the secondary market.

**Secondary Market for the Bonds:** No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

**Cybersecurity:** The Village is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the Village will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

# VALUATIONS

## WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

### Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

2018 Equalized Value	\$2,698,776,600
2018 Equalized Value Reduced by Tax Increment Valuation	\$2,586,720,000
2018 Assessed Value	\$2,512,316,300

## 2018 EQUALIZED VALUE BY CLASSIFICATION

	<b>2018 Equalized Value</b>	<b>Percent of Total Equalized Value</b>
Residential	\$ 1,872,931,800	69.399%
Commercial	531,209,000	19.683%
Manufacturing	231,645,300	8.583%
Agricultural	1,392,900	0.052%
Undeveloped	5,198,100	0.193%
Ag Forest	3,318,800	0.123%
Forest	3,944,500	0.146%
Other	8,446,400	0.313%
Personal Property	40,689,800	1.508%
Total	<u>\$ 2,698,776,600</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2014	\$2,314,113,000	\$2,283,352,100	3.69%
2015	2,391,216,400	2,405,913,400	5.37%
2016	2,490,498,700	2,501,879,800	3.99%
2017	2,517,847,900	2,577,479,900	3.02%
2018	2,512,316,300	2,698,776,600	4.71%

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

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<sup>1</sup> Includes tax increment valuation.

## LARGER TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2018 Equalized Value<sup>1</sup></b>	<b>Percent of Village's Total Equalized Value</b>
Sentinel Germantown	Commercial/Medical	\$ 21,179,865	0.78%
Airgas Safety	Commercial	17,829,967	0.66%
Meridian Germantown LLC	Retail	15,955,114	0.59%
Cambridge Major/Alcami	Manufacturing	14,341,028	0.53%
PHW Germantown	Manufacturing	11,727,049	0.43%
Covenant Communities	Senior Living Facilities	11,516,298	0.43%
Stonehedge Properties	Apartments	10,155,712	0.38%
WAGO Corporation	Electrical Equipment Supplier	8,905,525	0.33%
Freistadt Alltemp	Cold Storage Facility	8,825,478	0.33%
Heather Lake, LLC	Real Estate	8,656,621	0.32%
<b>Total</b>		<b>\$129,092,657</b>	<b>4.78%</b>
Village's Total 2018 Equalized Value <sup>2</sup>		\$2,698,776,600	

**Source:** The Village.

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<sup>1</sup> Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the Village.

<sup>2</sup> Includes tax increment valuation.

## DEBT

### DIRECT DEBT<sup>1</sup>

#### General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)\* \$ 33,925,000

#### Revenue Debt (see schedules following)

Total revenue debt secured by water utility revenues \$ 1,015,697

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.

VILLAGE OF GERMANTOWN, WISCONSIN  
 Schedule of Bonded Indebtedness  
 General Obligation Debt  
 (As of February 5, 2019)

Dated Amount	G.O. Ref. Bonds Series 2010A		GO Prom. Notes Series 2011A		GO Prom Notes Series 2012A		GO Prom Notes Series 2013A		GO Prom Notes Series 2014A		GO Comm Dev Bonds Series 2014B		GO Prom Notes Series 2015A	
	3/17/2010	3/1	5/18/2011	3/1	3/27/2012	3/1	5/8/2013	3/1	5/14/2014	3/1	10/1/2014	3/1	3/24/2015	3/1
Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	\$3,905,000		\$2,200,000		\$6,260,000		\$1,905,000		\$3,710,000		\$5,405,000		\$2,655,000	
		3/1		3/1		3/1		3/1		3/1		3/1		3/1
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	445,000	35,065	250,000	18,750	750,000	30,863	190,000	10,815	465,000	47,875	184,713	184,713	265,000	34,550
2020	455,000	21,788	250,000	11,250	675,000	20,906	190,000	9,010	455,000	34,075	150,000	182,463	265,000	29,250
2021	475,000	7,481	250,000	3,750	700,000	10,413	190,000	6,920	275,000	23,125	150,000	177,963	265,000	23,950
2022					275,000	2,406	190,000	4,450	275,000	16,250	280,000	171,513	265,000	18,650
2023							195,000	1,560	300,000	10,500	330,000	149,513	265,000	13,350
2024									300,000	3,750	380,000	135,313	265,000	8,050
2025											380,000	120,113	270,000	2,700
2026											405,000	106,438		
2027											415,000	94,138		
2028											425,000	81,538		
2029											435,000	68,094		
2030											440,000	53,875		
2031											440,000	39,025		
2032											440,000	23,625		
2033											455,000	7,963		
2034														
2035														
2036														
2037														
2038														
TOTAL	1,375,000	64,334	750,000	33,750	2,400,000	64,588	955,000	32,755	2,070,000	135,575	5,405,000	1,757,994	1,860,000	130,500

Continued on next page.

**VILLAGE OF GERMANTOWN, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt**  
**(As of February 5, 2019)**

Fiscal Year Ending	GO Prom Notes Series 2016A		GO Prom Notes Series 2017A		GO Prom Notes Series 2018A		GO Comm Dev Bonds Series 2018B		GO Comm Dev Bonds Series 2019A		Taxable GO Comm Dev Bonds Series 2019B		Principal Outstanding*	Principal & Interest*	Total Interest*	Total Principal*	Year
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity					
2019	500,000	5/1/2016	280,000	3/29/2017	275,000	4/5/2018	120,000	5/30/2018	100,000	2/5/2019	36,465	2/5/2019	3,420,000	4,250,508	830,508	3,420,000	2019
2020	505,000	41,650	280,000	47,460	280,000	91,000	75,750	100,000	205,993	75,000	74,588	27,000,000	4,350,181	845,181	3,505,000	2020	
2021	505,000	31,950	280,000	41,860	280,000	77,000	73,950	100,000	204,893	100,000	72,994	23,335,000	4,420,848	755,848	3,665,000	2021	
2022	265,000	23,850	280,000	36,260	280,000	63,000	70,350	100,000	202,663	100,000	69,275	2,430,000	3,108,666	678,666	2,260,000	2022	
2023	265,000	18,550	280,000	30,310	280,000	49,000	66,750	100,000	200,363	175,000	63,431	2,260,000	2,875,526	615,226	2,260,000	2023	
2024	265,000	13,250	280,000	24,010	280,000	37,800	63,150	100,000	197,978	185,000	55,781	2,125,000	2,678,281	553,281	2,125,000	2024	
2025	265,000	7,950	280,000	17,500	280,000	29,400	59,400	130,000	195,188	200,000	47,600	1,930,000	2,425,050	495,050	1,930,000	2025	
2026	265,000	2,650	280,000	10,640	280,000	21,000	45,000	145,000	191,981	225,000	38,569	1,700,000	2,140,228	440,228	1,700,000	2026	
2027			280,000	3,570	280,000	12,600	50,850	150,000	188,318	250,000	28,475	1,515,000	1,905,250	390,250	1,515,000	2027	
2028					280,000	4,200	150,000	46,350	175,000	183,844	17,531	1,285,000	1,631,063	346,063	1,285,000	2028	
2029							225,000	40,725	250,000	177,803	280,000	1,180,000	1,486,015	306,015	1,180,000	2029	
2030							300,000	32,850	550,000	166,090	280,000	1,285,000	1,652,034	267,034	1,285,000	2030	
2031							300,000	23,700	600,000	148,978	280,000	1,340,000	1,566,553	226,553	1,340,000	2031	
2032							300,000	14,325	600,000	130,858	280,000	1,340,000	1,524,208	184,208	1,340,000	2032	
2033							300,000	4,800	600,000	112,438	280,000	1,340,000	1,480,863	140,863	1,340,000	2033	
2034									600,000	93,658	280,000	1,055,000	1,156,620	101,620	1,055,000	2034	
2035									625,000	74,115	280,000	1,156,620	1,156,620	74,115	1,156,620	2035	
2036									625,000	53,834	280,000	1,156,620	1,156,620	53,834	1,156,620	2036	
2037									650,000	32,793	280,000	1,156,620	1,156,620	32,793	1,156,620	2037	
2038									650,000	10,985	280,000	1,156,620	1,156,620	10,985	1,156,620	2038	
TOTAL	2,835,000	191,150	2,520,000	264,670	2,795,000	535,196	2,480,000	753,975	6,725,000	2,873,474	1,755,000	33,925,000	41,273,618	7,348,618	33,925,000		

\* Preliminary, subject to change.



**VILLAGE OF GERMANTOWN, WISCONSIN**  
**Schedule of Bonded Indebtedness**  
**Revenue Debt Secured by Water User Fees**  
**(As of February 5, 2019)**

**Water System Rev. Safe Drinking Water**  
**Bonds Fund**  
**Series 2005A Series 2009A**

Dated Amount	6/15/2005		11/12/2009		Fiscal Year Ending	Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
	Principal	Interest	Principal	Interest							
	\$1,130,000		\$711,067								
<b>Maturity</b>	12/1		5/1								
2019	65,000	22,308	39,368	12,700	104,368	35,008	139,376	911,329	10.28%	2019	
2020	70,000	19,578	40,418	11,636	110,418	31,213	141,632	800,910	21.15%	2020	
2021	70,000	16,603	41,497	10,543	111,497	27,145	138,642	689,414	32.12%	2021	
2022	75,000	13,628	42,604	9,421	117,604	23,049	140,652	571,810	43.70%	2022	
2023	75,000	10,440	43,741	8,269	118,741	18,709	137,450	453,069	55.39%	2023	
2024	80,000	7,178	44,908	7,087	124,908	14,264	139,172	328,162	67.69%	2024	
2025	85,000	3,698	46,106	5,873	131,106	9,570	140,676	197,056	80.60%	2025	
2026			47,336	4,626	47,336	4,626	51,962	149,720	85.26%	2026	
2027			48,599	3,346	48,599	3,346	51,945	101,122	90.04%	2027	
2028			49,895	2,032	49,895	2,032	51,928	51,226	94.96%	2028	
2029			51,226	683	51,226	683	51,910	0	100.00%	2029	
<b>Total</b>	<b>520,000</b>	<b>93,430</b>	<b>495,697</b>	<b>76,216</b>	<b>1,015,697</b>	<b>169,646</b>	<b>1,185,343</b>				

## DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 2,698,776,600
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 134,938,830
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(33,925,000)</u>
Unused Debt Limit*	<u><u>\$ 101,013,830</u></u>

\*Preliminary, subject to change.

## OVERLAPPING DEBT<sup>1</sup>

<b>Taxing District</b>	<b>2018 Equalized Value</b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>Village's Proportionate Share</b>
Washington County	\$ 15,304,223,600	17.63%	\$ 17,010,000	\$ 2,999,577
Germantown School District	3,622,498,802	74.50%	100,395,784	74,795,261
Milwaukee Area Technical College District	79,921,554,819	3.38%	105,045,000	<u>3,547,160</u>
Village's Share of Total Overlapping Debt				<u><u>\$ 81,341,998</u></u>

<sup>1</sup> Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Equalized Value \$2,698,776,600</b>	<b>Debt/ Per Capita 20,183<sup>1</sup></b>
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	\$ 33,925,000	1.26%	\$ 1,680.87
Village's Share of Total Overlapping Debt	<u>81,341,998</u>	<u>3.01%</u>	<u>4,030.22</u>
Total*	\$115,266,998	4.27%	\$ 5,711.09

\*Preliminary, subject to change.

## DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

## FUTURE FINANCING

Aside from the Concurrent Obligations the Village intends to issue bonds in the spring of 2019 in the approximate amount of \$3M for their annual capital borrowing.

By year end 2019 the Village also intends to borrow for approximately \$10.5M in Environmental Improvement Fund Loans or interim financing for water and sewer extensions in TID No. 7 and 8. This year the Village would plan to close on \$8.5M Safe Water Fund Drinking and \$2M Clean Water Fund Loans. If the EIF Loans are not available the Village will plan to secure Revenue Bonds, or take out the interim financing and refund it with permanent financing, next year.

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<sup>1</sup> Estimated 2018 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

Tax Year	Levy for Village Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2014/15	\$11,167,017	100%	\$5.04
2015/16	11,773,385	100%	5.07
2016/17	11,878,881	100%	4.94
2017/18	12,203,489	100%	4.92
2018/19	12,398,993	in process	4.79

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

## PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

<b>Year Levied/ Year Collected</b>	<b>Schools<sup>1</sup></b>	<b>County</b>	<b>Local</b>	<b>Other<sup>2</sup></b>	<b>Total</b>
2014/15	\$10.77	\$2.69	\$5.04	\$0.17	\$18.67
2015/16	10.40	2.60	5.07	0.18	18.25
2016/17	10.01	2.58	4.94	0.18	17.71
2017/18	10.17	2.49	4.92	0.00	17.58
2018/19	10.54	2.39	4.79	0.00	17.72

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5%

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and technical college district.

<sup>2</sup> Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Obligations.

# THE ISSUER

## VILLAGE GOVERNMENT

The Village was incorporated in 1927 and is governed by a nine-member Board of Trustees, of which the Village President is a voting member. All are elected to three year terms. The appointed Village Administrator and the Finance Director are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The Village employs a staff of 119 full-time, 24 part-time, and 283 seasonal employees. All eligible employees in the Village are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

Village employees are required generally to contribute half of the actuarially determined contributions, and the Village generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the Village's portion of contributions to WRS (not including any employee contributions) totaled \$589,100, \$551,554 and \$545,678 respectively.

The Village implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2016.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. At December 31, 2017, the village reported a liability (asset) of \$479,306 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability (asset) was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the village's

proportion was 0.05815135%, which was a decrease of 0.00144704% from its proportion measured as of December 31, 2015.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

All eligible Village personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the Village is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the Village is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless Village were to seek approval for a higher increase through a referendum). Ultimately, the Village can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the Village, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the Village:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Germantown Municipal Employees Union Local 730, Affiliate of Labor Assoc of Wisconsin	December 31, 2019
Labor Association of Wisconsin Local 306 Professional Policeman's Union	December 31, 2021
International Association of Firefighters of Local 4854 - Full and Part Time	December 31, 2020
International Association of Firefighters of Local 4854 - Paid on Call (POC)	December 31, 2020

### **OTHER POST EMPLOYMENT BENEFITS**

The Village does not provide any other post employment benefits.



## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the Village to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the Village to file for relief under Chapter 9. If, in the future, the Village were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the Village could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the Village is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the Village could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Obligations could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Obligations, and there could ultimately be no assurance that holders of the Obligations would be paid in full or in part on the Obligations. Further, under such circumstances, there could be no assurance that the Obligations would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Obligations could be viewed as having no priority (a) over claims of other creditors of the Village; (b) to any particular assets of the Village, or (c) to revenues otherwise designated for payment to holders of the Obligations.

Moreover, if the Village were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Obligations would not occur.

**FUNDS ON HAND** (as of November 30, 2018)

<b>Fund</b>	<b>Total Cash and Investments</b>
LGIP	\$ 17,269,314
TD Ameritrade/Ehlers CD	11,719,054
Associated TID #4	23,441
US Bank General Checking	352,656
US Bank Tax Account	8,789
US Bank 125	1,185
US Bank Payroll	14,370
BMO Harris CD - Sewer Replacement	322,799
Associated Bank Verizon CD	33,017
US Bank Health & Dental	492,785
US Bank Traffic Signal Mnt	5,052
First Bank Library CD & Checking	118,692
First Bank Canine	2,734
Westbury Bank Dare Fund - Police Dept	6,765
<b>Total Funds on Hand</b>	<b><u>\$ 30,370,653</u></b>

## ENTERPRISE FUNDS

Revenues available for debt service on the Village's enterprise funds have been as follows as of December 31 each year:

	2015	2016	2017
<b>Water</b>			
Total Operating Revenues	\$ 2,566,786	\$ 2,390,825	\$ 2,298,602
Less: Operating Expenses	<u>(1,915,168)</u>	<u>(1,954,519)</u>	<u>(1,999,952)</u>
Operating Income	\$ 651,618	\$ 436,306	\$ 298,650
Plus: Depreciation	776,322	791,936	822,144
Capital Contributions	128,229	1,253,887	735,416
Interest Income	<u>19,358</u>	<u>23,441</u>	<u>23,632</u>
Revenues Available for Debt Service	<u>\$ 1,575,527</u>	<u>\$ 2,505,570</u>	<u>\$ 1,879,842</u>
<b>Sewer</b>			
Total Operating Revenues	\$ 6,792,823	\$ 6,872,430	\$ 6,748,881
Less: Operating Expenses	<u>(6,051,151)</u>	<u>(6,337,302)</u>	<u>(6,360,282)</u>
Operating Income	\$ 741,672	\$ 535,128	\$ 388,599
Plus: Depreciation	717,357	628,621	649,244
Capital Contributions	221,101	1,034,279	1,886,653
Interest Income	<u>25,868</u>	<u>30,129</u>	<u>48,902</u>
Revenues Available for Debt Service	<u>\$ 1,705,998</u>	<u>\$ 2,228,157</u>	<u>\$ 2,973,398</u>

## SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the Village's General Fund. These summaries are not purported to be the complete audited financial statements of the Village, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village. Copies of the complete audited financial statements are available upon request. See Appendix A for the Village's 2017 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited	2016 Audited	2017 Audited	2018 Projected	2019 Adopted Budget <sup>1</sup>
<b>Revenues</b>					
Taxes and special assessments	\$ 9,357,760	\$ 9,691,045	\$ 9,854,351	\$ 10,553,999	\$ 10,536,473
Intergovernmental	2,331,482	2,273,091	2,303,300	1,754,191	2,516,960
Regulation and compliance	1,095,844	838,034	1,106,195	1,312,916	1,035,725
Public charges for services	1,627,338	1,734,210	1,793,432	1,991,429	1,952,999
Investment income	33,618	43,087	63,636	146,492	106,250
Miscellaneous general revenues	136,101	90,781	126,045	127,439	169,658
<b>Total Revenues</b>	<b>\$ 14,582,143</b>	<b>\$ 14,670,248</b>	<b>\$ 15,246,959</b>	<b>\$ 15,886,466</b>	<b>\$ 16,318,065</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	\$ 1,388,142	\$ 1,508,556	\$ 1,569,231	\$ 1,544,740	\$ 1,670,769
Public safety	6,634,469	6,643,000	6,556,041	6,216,989	6,969,040
Public works	3,484,546	3,446,015	3,495,816	3,283,111	4,257,362
Culture and recreation	2,487,041	2,601,281	2,615,688	2,697,804	2,793,762
Conservation and development	208,051	221,463	208,277	195,916	290,432
Capital outlay	249,096	278,478	501,937	249,236	336,700
<b>Total Expenditures</b>	<b>\$ 14,451,345</b>	<b>\$ 14,698,793</b>	<b>\$ 14,946,990</b>	<b>\$ 14,187,796</b>	<b>\$ 16,318,065</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 130,798</b>	<b>\$ (28,545)</b>	<b>\$ 299,969</b>	<b>\$ 1,698,670</b>	<b>\$ 0</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	528,153	513,500	551,794	0	0
Operating transfers out	0	(96,000)	(16,243)	(66,666)	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 528,153</b>	<b>\$ 417,500</b>	<b>\$ 535,551</b>	<b>\$ (66,666)</b>	<b>\$ 0</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ 658,951</b>	<b>\$ 388,955</b>	<b>\$ 835,520</b>	<b>\$ 1,632,004</b>	<b>\$ 0</b>
General Fund Balance January 1	4,269,492	4,928,443	5,317,398	6,152,918	7,784,922
General Fund Balance December 31	\$ 4,928,443	\$ 5,317,398	\$ 6,152,918	\$ 7,784,922	\$ 7,784,922
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	2,248	16,035	15,094		
Restricted	0	0	0		
Committed	0	0	0		
Assigned	999,814	846,382	962,175		
Unassigned	3,926,381	4,454,981	5,175,649		
<b>Total</b>	<b>\$ 4,928,443</b>	<b>\$ 5,317,398</b>	<b>\$ 6,152,918</b>		

<sup>1</sup> The 2019 budget was adopted on November 19, 2018.

## GENERAL INFORMATION

### LOCATION

The Village, with a 2010 U.S. Census population of 19,749, and a current estimated population of 20,183, comprises an area of 34 square miles and is located in the southeast corner of Washington County approximately 25 miles northwest of the City of Milwaukee.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the Village include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
MGS Manufacturing Group	Plastics - mold - manufacturers	600 <sup>2</sup>
School District of Germantown	Elementary and secondary education	546
J.W. Speaker Corp.	Lighting equipment	500
Ellsworth Adhesives	Distributor of adhesives and dispensing systems	450 <sup>3</sup>
The Village	Municipal government and services	423
Gehl Foods	Commercial	400
GKN Sinter Metals	Sintered metal/Die sets and tooling	333
Moldmakers, Inc.	Special die and tool manufacturing	300
David J. Frank Landscape Contracting	Landscape contracting	300
WAGO Corporation	Electrical apparatus & equipment business	250

**Source:** *ReferenceUSA, written and telephone survey (February 2018), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

<sup>2</sup> Tecstar is part of MGS.

<sup>3</sup> Per Village's 2016 CAFR.

## BUILDING PERMITS

	2014	2015	2016	2017	2018 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	60	40	38	53	23
Valuation	\$14,212,683	\$8,660,736	\$8,595,327	\$9,401,508	\$4,948,001
<u>New Multiple Family Buildings</u>					
No. of building permits	2	0	0	2	2
Valuation	\$1,080,000	\$0	\$0	\$34,042,000	\$4,336,000
<u>New Commercial/Industrial</u>					
No. of building permits	4	6	2	0	6
Valuation	\$18,548,000	\$9,421,000	\$1,662,700	\$0	\$47,836,102
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	607	554	623	654	701
Valuation	\$55,636,764	\$56,376,810	\$28,781,279	\$101,801,123	\$91,301,819

**Source:** The Village.

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<sup>1</sup> As of November 30, 2018.

## U.S. CENSUS DATA

### Population Trend: Village of Germantown

2000 U.S. Census	18,260
2010 U.S. Census	19,749
2018 Estimated Population	20,183
Percent of Change 2000 - 2010	8.15%

### Income and Age Statistics

	<b>Village of Germantown</b>	<b>Washington County</b>	<b>State of Wisconsin</b>	<b>United States</b>
2017 per capita income	\$40,404	\$36,177	\$30,557	\$31,177
2017 median household income	\$79,553	\$73,021	\$56,759	\$57,652
2017 median family income	\$98,316	\$87,686	\$72,542	\$70,850
2017 median gross rent	\$998	\$873	\$813	\$982
2017 median value owner occupied units	\$244,000	\$219,600	\$169,300	\$193,500
2017 median age	42.1 yrs.	42.6 yrs.	39.2 yrs.	37.8 yrs.

	<b>State of Wisconsin</b>	<b>United States</b>
Village % of 2017 per capita income	132.23%	129.60%
Village % of 2017 median family income	135.53%	138.77%

### Housing Statistics

	<b><u>Village of Germantown</u></b>		
	<b>2000</b>	<b>2017</b>	<b>Percent of Change</b>
All Housing Units	7,075	8,219	16.17%

**Source:** 2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau ([www.factfinder2.census.gov](http://www.factfinder2.census.gov)).

## EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

<b>Year</b>	<b><u>Average Employment</u></b>		<b><u>Average Unemployment</u></b>	
	<b>Washington County</b>	<b>Washington County</b>	<b>State of Wisconsin</b>	
2014	72,347	4.5%	5.4%	
2015	73,269	3.7%	4.5%	
2016	74,906	3.3%	4.0%	
2017	75,684	2.8%	3.3%	
2018, October	75,542	2.3%	2.6%	

**Source:** Wisconsin Department of Workforce Development.

**FINANCIAL STATEMENTS**

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested the Auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
VILLAGE OF GERMANTOWN, WISCONSIN**  
As of and for the Year Ended December 31, 2017

DEPARTMENT ISSUING REPORT

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

**VILLAGE OF GERMANTOWN**

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PO Box 337  
Germantown WI 53022

June 21, 2018

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

The *Comprehensive Annual Financial Report* for the Village of Germantown, Wisconsin for fiscal year ending December 31, 2017, is prepared to provide the Board, our citizens, our bondholders, and other interested persons, detailed information concerning the financial condition of the Village government. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the village government. The report was prepared by the Village's Administration and Finance departments and contains representations concerning the finances of the Village. We believe the data, as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Village as measured by financial activity of its various funds; and that all disclosures necessary to enable the reader to gain reasonable understanding of its financial affairs have been included.

The Village retained the services of Baker Tilly Virchow Krause, LLP to perform its audit. Based upon standard audit procedures, Baker Tilly Virchow Krause, LLP has issued an unmodified opinion on the Village's financial statements for the year ended December 31, 2017. The auditor's opinion is located at the front of the financial section of this report.

**Report Format**

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

**Reporting Entity**

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

## Village Profile

Located 25 miles northwest of Milwaukee, Germantown encompasses 34 square miles in the southeast corner of Washington County. Germantown is one of the largest villages in geographical area in the State of Wisconsin. The Village's current population, as of the 2010 census is 19,749, a 9.3% increase over the prior ten year's period. The 2017 estimated population is 19,965. It operates under a council-manager form of government. There are nine members on the Germantown Village Board. Eight of the members are elected from four trustee districts and the Village President is elected at large. Board members are elected to three-year terms. The appointed Village Administrator is responsible for the day-to-day operations of the Village. The appointment of administrative staff members, and the supervision of all employees.

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

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

## Accounting Systems and Budgetary Control

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

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

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

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

The Village Board's updated Fund Balance Policy establishes a minimum unassigned Fund Balance. It states that the Village will maintain a minimum unassigned fund balance in its General Fund ranging from 16% to 25% of the subsequent year's budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. The 2017 unassigned fund balance is 32.77% of subsequent years expenditure budget. Should an unassigned fund balance of the General Fund exceed 20%, the Village may consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional staffing or recurring expenditures.

## Economic Conditions and Outlook

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

The Village's overall equalized value increased by 3.02%, following an increase of 3.99% the previous year. The average unemployment rate for Washington County is 2.2%, which is lower than the Wisconsin state average of 2.7% at year end. With the use of a variety of financing tools such as impact fees, tax incremental financing incentives, and close partnerships with local business, the Village is preparing for a robust economic future. We have been able to balance the community with a mixture of agricultural, residential, commercial and industrial/office development. Germantown's fine school system and parks and recreational activities are also helpful in acquiring and keeping our residential base.

The Project Plan for Tax Incremental District No. 4 (Germantown Business Park) was amended in 2011 to include cash grants (development incentives) to owners, lessees or developers of land located within the district. This change was instrumental in additional sales of land and construction of new facilities. The District is fully built and is slated to close in 2019, two years earlier than expected. The original 1994 equalized base value of the park was \$12,957,000, the valuation in 2017 is \$111,121,500.

The Village anticipates total eligible project expenditures of approximately \$9.6 million dollars for Tax Incremental District No. 6 (Willow Creek Business Park). The Village projects that new development, redevelopment and appreciation in the value of existing properties will add approximately \$41 million dollars in assessed value. This District is zoned as Mixed Use which means that at least 50% of the area, of the real property within the District, is suitable for a combination of industrial and commercial uses. The District is bounded by Appleton Avenue, Lannon Road, and Maple Road, and is fully improved and lots are ready for sale. The Village has partnered with MLG Commercial who is marketing the property within the District. The estimated saleable property of the District is fifty-two acres. Discount Ramps, an e-commerce company that designs and builds ramps for transportation, loading, hauling and mobility needs, began construction in 2017. The facility will be over 150,000 square feet and will include their corporate headquarters and distribution center. Additional businesses such as Ryan Companies with a 186,000 square foot building and Metro Cigars have been approved and will begin construction in 2018.

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

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

The Wastewater Utility maintains 101.83 miles of sewer main, seven lift stations and one metering station. The Village contracts with Milwaukee Metropolitan Sewerage District for its sewage treatment, the charges from MMSD for treatment and its annual capital charge remain the utility's largest expenditure. The Utility has undertaken a cured in place relining of 10,548 feet of 48" interceptor main at a cost of \$2,999,230 since 2014.

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

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

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

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

#### **For the Future**

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

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

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

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

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

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

#### **INDEPENDENT AUDIT**

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

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

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

**REPORTING ACHIEVEMENT**

**GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Germantown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was 29 consecutive years that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

**Acknowledgments**

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

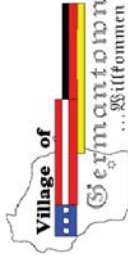
Respectfully submitted,



Kim E. Rath  
Finance Director

*Steven R. Kreklow*

Steven R. Kreklow  
Village Administrator



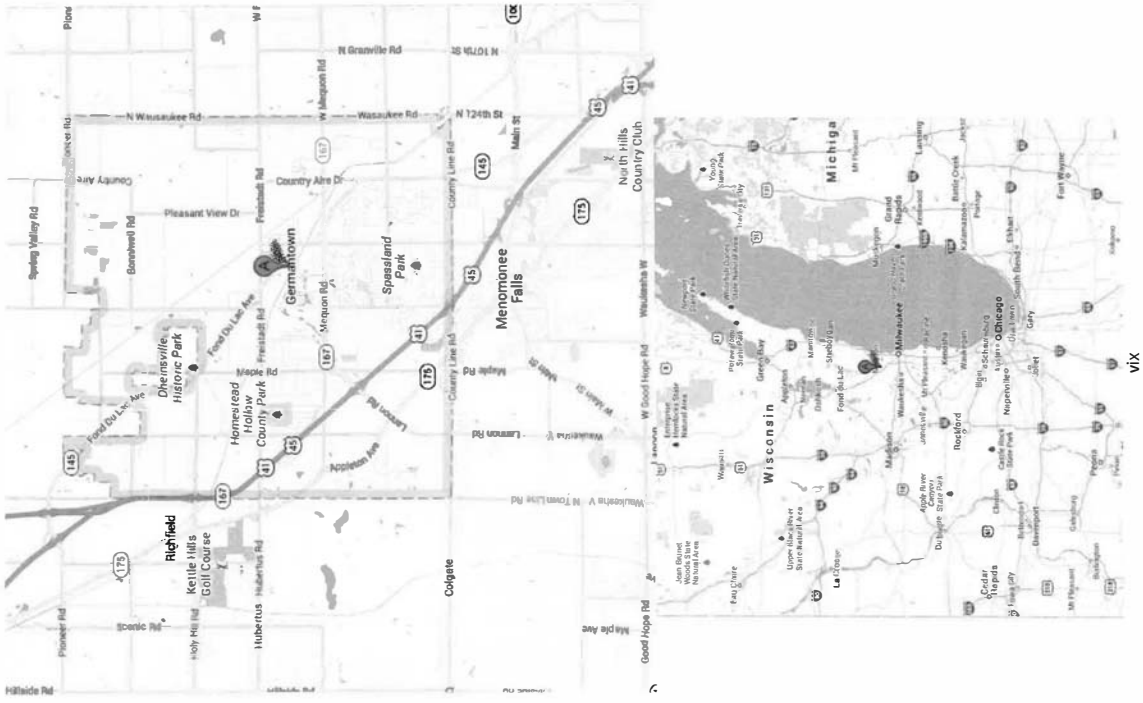
**LIST OF PRINCIPAL OFFICIALS as of December 31, 2017  
ELECTED OFFICIALS**

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

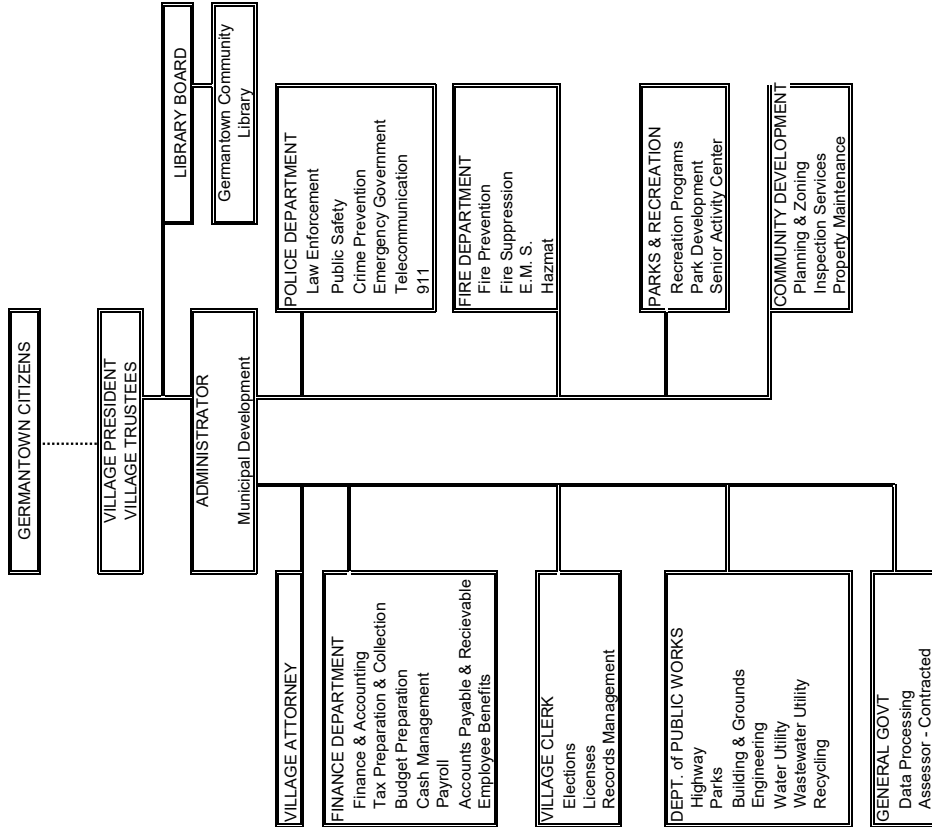
**APPOINTED OFFICIALS**

Village Administrator	Steven R. Kreklow
Village Attorney	Brian Sajdak; Wesolowski, Reidenbach & Sajdak SC
Village Assessor - Contract Service	Associated Appraisal Consultants, Inc
Village Clerk	Deanna L. Boldrey
Finance Director/Treasurer	Kim E. Rath
Community Development/Planning & Inspection	Jeffrey W. Retzlaff
Director of Public Works	Lawrence Ratajczak
Village Engineer	John A. Laning
Police Chief	Peter Hoell
Fire Chief	Gary Weiss
Library Director	Patricia Smith
Recreation Director	Mark Schroeder
Police & Fire Commission Chairperson	Scott Scheife
Park & Recreation Commission Chair	Scott Coulthurst
Library Board President	Joyce Nelson

The Village of Germantown - Location Map



**VILLAGE OF GERMANTOWN  
ORGANIZATIONAL CHART**





Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Germantown**

**Wisconsin**

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

## Brief History of the Village of Germantown

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

The Village's current population is estimated to be 19,965. A majority of its residential, commercial and industrial development is concentrated in the suburban-like south-central third of the village. It is in this portion, served by the Milwaukee Metropolitan Sewerage District (MMSD), and supplied with water by municipal wells, that most of Germantown's development has occurred.

The half of the village north of Freistadt Road is rural in nature, and is predominately agricultural. Contemplated 2018 extensions of municipal water and sewer will open this section to more residential, commercial and industrial development.

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

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

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

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



## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Germantown  
Germantown, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Germantown's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Germantown's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Germantown's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Germantown's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 21, 2018

## VILLAGE OF GERMANTOWN

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2017 (Unaudited)

Management's Discussion and Analysis provides management's overview and analysis of the Village's basic financial statements for the year ended December 31, 2017. This discussion is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity and identify changes in the Village's financial position.

#### USING THIS REPORT

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

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

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

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

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

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

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

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

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

#### Governmental Funds

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

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

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

#### Proprietary Funds

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

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

#### Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties other than the Village. These funds are not available to fund Village activities, and are not reflected in the government-wide financial statements. The Village maintains one fiduciary fund, the Tax Collection Fund, which records the tax roll and tax collections for the taxing jurisdictions within the Village. It records the assets collected on behalf of other taxing units.

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

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

Notes to the Financial Statements  
The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

Supplementary Information

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Germantown, total net position was approximately \$140 million as of December 31, 2017. The largest portion of the Village's net position (87%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress and infrastructure) less any outstanding debt used to acquire those assets. The Village uses these assets to provide service to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to pay debt related to capital assets must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

Another portion of the Village's net position, (3%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position will be discussed in later sections of this analysis. Net position of the Village as a whole increased \$3.8 million over 2016, \$1 million in Governmental Activities and \$2.8 million in Business-type Activities.

**Changes in Net Position**

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

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

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

Total net position of Governmental and Business-type activities of \$140 million was an increase of \$3.85 million over 2016. Any significant changes in revenues and expenses are as follows.

**Revenues**

The Statement of Activities on page 2 will show that Program Revenues in the Governmental Activities was increased by \$663,387 over 2016 for a total of \$5,153,070. The majority of the increase was in charges for services; Public Safety and Public Works. The Business-type activities charges for services and capital grants and contributions increased slightly (\$114,345) for a total of \$11,669,552. The Business-type Activities increase in Capital Grants and Contributions is due to water and sewer main additions in our TIF districts and developer projects. There was an increase in investment income and intergovernmental revenues as well, \$54,390.

All governmental revenues other than program revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose. Tax revenue was up by \$410,302, mostly due to an increase in levied taxes for general purposes, debt service and two TID districts, # 4 & 6, TID #7, being created December 2017 didn't have a budget or levy for 2017.

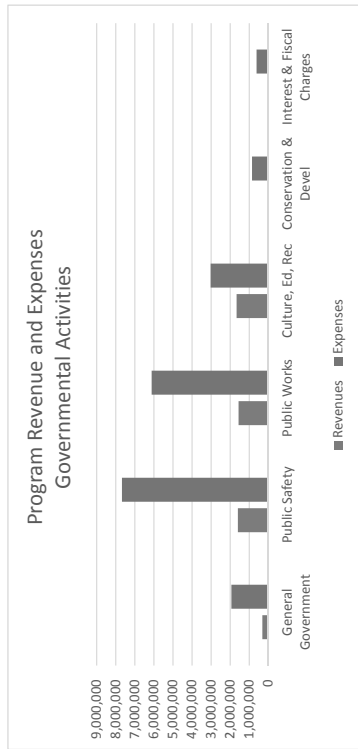
**Expenses**

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

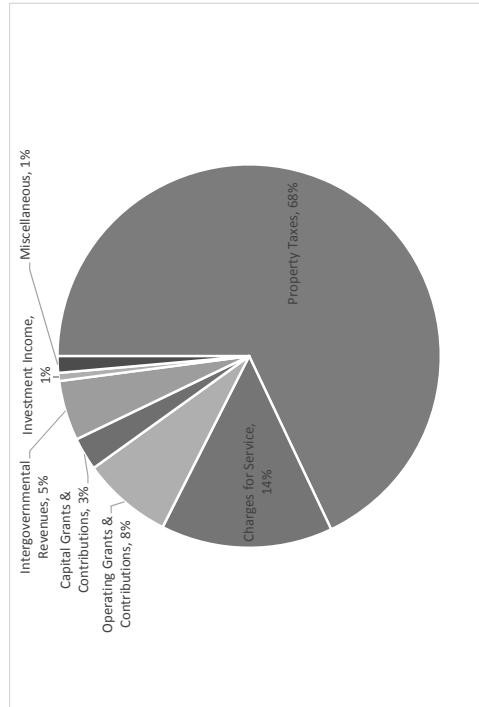
VILLAGE OF GERMANTOWN  
Changes in Net Position

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

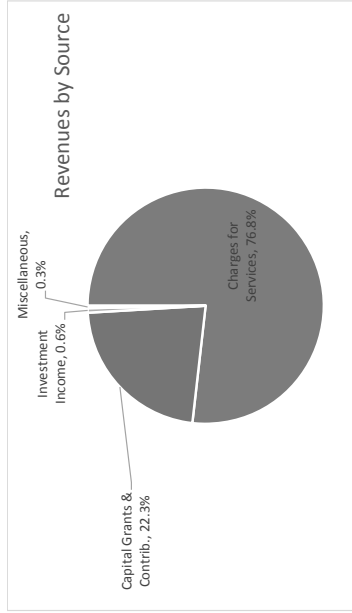
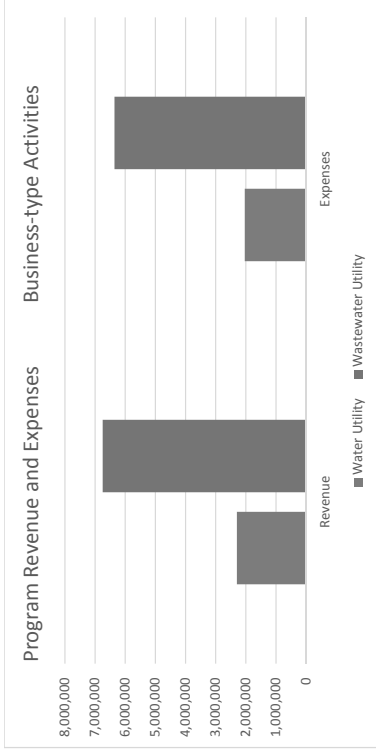
**Governmental Funds**



Program and General Revenues by source



**Business-Type Activities – Enterprise Funds**



**Water Utility**

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

The Village maintains six wells and three water towers within its corporate boundaries. An ongoing search and testing for a seventh well site is still underway to guarantee sufficient water for the Village's growth. The Village has a Water Impact Fee of \$832 per residential equivalency, charged for new construction. \$144,652 was collected in 2017, due to our single and multi-family home increases. The impact fees are used to pay for the debt service on the 2009 Safe Drinking Water Loan used for construction of Well #11. 3,554 feet of new water main, and 3,472 feet of replacement main was added in 2017 plus 14 new fire hydrants, of which six were replacements.

Water Utility Activity Summary				
(in millions of dollars)				
	2017	2016	Change	
Operating Revenues	\$ 2,299	\$ 2,390	\$ (0,091)	
Operating expenses	2,000	1,954	0,046	
<b>Operating Income</b>	0,299	0,436	(0,137)	
Non-operating revenues/expenses	0,017	(0,018)	0,035	
Capital Contributions	0,735	1,254	(0,519)	
Transfers out - tax equivalent	(0,552)	(0,513)	(0,039)	
<b>Increase in net position</b>	0,499	1,159	(0,523)	
Net Position beginning of the year,	30,379	29,220	1,159	
<b>Net position, end of the year</b>	\$ 30,878	\$ 30,379	\$ 0,499	

**Wastewater Utility (Sewer)**

The Wastewater Utility reported a net operating increase of \$388,599 for 2017. Its overall net position increased by \$2,33 million for an end of year net position of \$42,750 million. Charges for services was down by \$121,653 compared to 2016 while operating expenses were relatively the same at \$6.36 million. Capital contributions were quite significant at \$1.89 million of which \$894,062 was for sewer connection fees and \$603,991 for capital contribution of sewer main at Park Avenue, and Main Street and developer contribution at Saxony Village, Prairie Glen and Fairway Knoll. The utility also received a cash contribution from Gehl Foods in the amount of \$388,600 to defray costs of the utility in the design and construction of sewer line that allowed the facility to expand its production by increasing sufficient capacity to discharge. The sewer connection fee is a charge for new connections to our system, these fees help cover ongoing maintenance and other improvements to the system. Overall 8,101 feet of sewer main was added to the system.

The Village contracts with Milwaukee Metropolitan Sewerage District for its sewage treatment, the charges from MMSD for treatment and its annual capital charge remain the utility's largest expense accounting for 82.65 % of the operations and maintenance expense. In 2017, the Village paid \$1.5 million for user charges and \$3.2 million for the annual capital charge. The Capital charge is based on the equalized value of properties within the sewer service district.

Wastewater Utility				
(in millions of dollars)				
	2017	2016	Change	
Charges for services	\$ 6,749	\$ 6,872	\$ (0,123)	
Operating expenses	6,360	6,337	0,023	
<b>Operating Income (loss)</b>	0,389	0,535	(0,146)	
Non-operating income (expenses)	0,052	0,030	0,022	
Capital Contributions	1,887	1,034	0,853	
<b>Increase in net position</b>	2,328	1,599	0,729	
Net Position beginning of the year,	40,423	38,824	1,599	
as restated				
<b>Net position, end of the year</b>	\$ 42,751	\$ 40,423	\$ 2,328	

**Fund Financial Analysis**

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

### **Governmental Funds**

As of December 31, 2017, Village governmental funds reported a combined fund balance of \$12.6 million, \$1.2 million more than last year's total of \$11.4 million. \$15,094 is nonspendable related to prepaid accounts for postage and GIS multi-year hosting services, \$5.1 million restricted for Debt Service and Capital Projects in the General Capital Projects, TID No. 4, TID No. 6 & TID No. 7, plus impact fees and Library Board Accounts to pay for equipment and projects. Committed funds of \$240,085 are for other Special Revenue Funds: Senior Van replacement, Police Canine, Honor Guard and Asset Forfeiture accounts. Historic Preservation and Recreation Facility Funds and will be used as its purpose allows.

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

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

### **General Fund**

The General Fund's net change in fund balance was a positive \$835,520, with an ending fund balance of \$6.153 million. After adjusting for non-spendable and assigned portions for the general fund the unassigned fund balance at year-end was \$5.18 million, 33% of the Village's subsequent year general fund expenditure budget. The ending balance in 2016 was 28.87%. The Village's fund balance policy works to maintain a working capital fund of 16 – 25%. The Village Board is working toward creating a Revolving Capital Equipment fund and will invest some of the current fund balance to start it. The Village will use \$272,881 for 2018 carry over projects and \$137,500 to offset part of the cost of the Village wide revaluation slated for 2019.

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

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

### **Debt Service Fund**

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

### **General Capital Projects**

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

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

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



**Non-major Governmental Funds**

Tax Incremental District No.6, Willow Creek Business Park, was a Major Fund in 2016. With the completion of most of the infrastructure and depletion of the bond proceeds in 2016 it was reclassified as a Nonmajor fund in 2017. Created in 2014 the mixed-use business park is suitable for industrial and commercial purposes. The estimated saleable property consists of fifty-two acres. The Project Plan consisted of site grading, sanitary sewer and water systems, stormwater management, street improvements, landscaping and other site improvement infrastructure and related costs. The Village issued \$5,405,000 in General Obligation Community Development Bonds on October 1, 2014. Discount Ramps began construction of a 150,000 square foot corporate headquarters and distribution center facility. Fund balance at the end of 2017 was \$104,986. Remaining projects would be water and sewer service connections for other development. An interfund loan from other village accounts or a re-direction of funds from escrowed accounts held by MLG commercial will be needed to temporarily cover those costs plus principal and interest payments until tax increment commences.

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

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

**Proprietary Funds**

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

The Health and Dental Protection Funds are Self-Funded employee insurance plans with a Third-Party Administrators. The funds maintained positive cash flow ending the year with a net position of \$1.534 million. This is an increase to the cash and cash equivalent balance of \$205,665, with an end of year cash balance of \$1,680,735, to be used for future expenditures. Employee contributions to the fund averaged 12% of premium cost. Changes in health care law may cause changes in the design and scope of the plan in the next couple years.

**Agency Fund**

The Village acts as an agent for property taxes collected on behalf of the other taxing units; The State of Wisconsin, Washington County, Germantown School District, and Milwaukee Area Technical College. All of the Village's fiduciary activities are reported in the Statement of Assets and Liabilities – Agency Fund on page 15 and Statement of Changes in Assets and Liabilities – Agency Fund on page 84.

**CAPITAL ASSETS AND DEBT**

**Capital Assets**

As of December 31, 2017, the Village had \$140 million (net of accumulated depreciation) invested in a broad range of capital assets including buildings, police, fire and public works equipment, roads, bridges, and water and sewer lines. (See table below)

**Significant Additions to Capital Assets in 2017**

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

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

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

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

Additional Information about the Village's capital assets can be found in Note III.D beginning on page 35.

**LONG-TERM DEBT**

As of December 31, 2017, the outstanding debt for long-term general obligations, revenue bonds and safe drinking water loans totaled \$25.2 million. Principal paid on outstanding debt totaled \$3.95 million.

**Village of Germantown's Outstanding Debt**

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

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

**Long-term Debt Issued 2017**

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

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

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

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

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

**REQUESTS FOR INFORMATION**

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

# VILLAGE OF GERMANTOWN

## STATEMENT OF NET POSITION As of December 31, 2017

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

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

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

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, tax increment

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

### Change in net position

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

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

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

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

See accompanying notes to financial statements.

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

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

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

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

<u>\$ 1,041,920</u>	<u>\$ 29,158,194</u>
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See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2017

Total Fund Balances - Governmental Funds	\$ 12,573,947
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.</p>	
Land	13,577,807
Construction in progress	44,188
Other capital assets, net of accumulated depreciation	62,571,919
<p>Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.</p>	
	98,004
<p>The net pension liability does not relate to current financial resources and is not reported in the governmental funds.</p>	
	(432,434)
<p>Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p>	
	3,328,999
<p>Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p>	
	(1,353,961)
<p>Internal service funds are reported in the statement of net position as governmental activities.</p>	
	1,534,079
<p>Internal service fund internal receivable between governmental and business-type activities.</p>	
	(210,155)
<p>Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
Bonds and notes payable	(24,080,000)
Capital leases	(31,919)
Compensated absences	(753,049)
Accrued interest	(211,416)
Unamortized debt discount/premium	(551,048)
Unamortized loss on refunding	125,945
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 66,230,906</u></b>

See accompanying notes to financial statements.



## VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2017

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

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

Net change in fund balances - total governmental funds	\$	1,199,795
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		3,166,307
Some items reported as capital outlay were not capitalized		(694,303)
Depreciation is reported in the government-wide financial statements		(2,743,018)
Net book value of assets retired		(423,577)
Contributed capital assets are reported as revenues in the government-wide financial statements.		286,439
Net book value of TIF land held for resale that was sold.		(295,572)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
Special assessments		(4,873)
Delinquent taxes		23,250
Miscellaneous recreation receivables		2,736
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(2,805,000)
Principal repaid		3,855,000
Capital lease repaid		34,014
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Premium on debt issued		(54,900)
Amortization of debt discount/premium		58,880
Amortization of loss on refunding		(39,915)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(1,239)
Accrued interest on debt		14,698
Net pension liability		438,254
Deferred outflows of resources related to pensions		(1,526,842)
Deferred inflows of resources related to pensions		478,388
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		51,067
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>1,019,589</u></b>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

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

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

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

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

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

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

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

See accompanying notes to financial statements.

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

See accompanying notes to financial statements.



# VILLAGE OF GERMANTOWN

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

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

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

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As of and for the Year Ended December 31, 2017

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VILLAGE OF GERMANTOWN

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

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

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

**A. REPORTING ENTITY**

This report includes all of the funds of the village. The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**VILLAGE OF GERMANTOWN**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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

**Fund Financial Statements (cont.)**

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

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

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

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- General Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital projects program.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The village reports the following major enterprise funds:

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

**VILLAGE OF GERMANTOWN**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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

**Fund Financial Statements (cont.)**

The village reports the following nonmajor governmental funds:

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

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

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

- Tax Incremental District (TID) No. 6
- Tax Incremental District (TID) No. 7

In addition, the village reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the village, or to other governmental units, on a cost-reimbursement basis.

- Health Insurance Fund
- Dental Insurance Fund

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

- Tax Collection Fund

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Government-Wide Financial Statements*

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

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

*Fund Financial Statements*

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

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

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

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

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

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

*Fund Financial Statements* (cont.)

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

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

*All Financial Statements*

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

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

1. Deposits and Investments

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

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

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

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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

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

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**2. Receivables**

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

Property tax calendar - 2017 tax roll:

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

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

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

**3. Prepaid Items**

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

**4. Restricted Assets**

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

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**5. Capital Assets**

**Government-Wide Statements**

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

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

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

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

**Fund Financial Statements**

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

**6. Other Assets**

In the government-wide financial statements, the cost of tax incremental district land held for resale is reported as an asset with increases and decreases for purchases and sales. All land was sold as of December 31, 2017.

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**7. Deferred Outflows of Resources**

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

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

**8. Compensated Absences**

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

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

Employees who retire and are eligible to draw a Wisconsin Retirement Annuity will have 50%, or other collectively bargained percentage, of their unused accumulated sick leave converted into dollars at the time of their retirement and forwarded to ICMA Retirement Corporation to open a VantageCare Retirement Health Savings Plan (RHS). The RHS is a tax-advantaged investment plan dedicated to funding health care costs. The employee has ownership of the funds and may use the dollars to remain on the village health care plan until age 65. Funding for the RHS contribution are provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. The total expenditure for the year was \$119,992.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2017, are determined on the basis of current salary rates and include salary related payments.

**9. Long-Term Obligations/Conduit Debt**

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

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$41,516,103, made up of 10 issues.

**10. Deferred Inflows of Resources**

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

VILLAGE OF GERMANTOWN

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

**11. Equity Classifications**

**Government-Wide Statements**

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 61,320,322	\$ 62,989,153	\$ (1,779,417)	\$ 122,530,058
Unrestricted	1,140,960	10,106,271	1,779,417	13,026,648

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

**Fund Statements**

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

VILLAGE OF GERMANTOWN

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

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

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

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

**Fund Statements (cont.)**

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 16-25% of the village's subsequent year general fund expenditure budget. The balance at year-end was \$5,175,649, or 33%, and is included in unassigned general fund balance.

See Note III. H. for further information.

VILLAGE OF GERMANTOWN

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

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

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

**12. Pension**

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

**13. Basis for Existing Rates**

**Water Utility**

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

**Sewer Utility**

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

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

**A. BUDGETARY INFORMATION**

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



**VILLAGE OF GERMANTOWN**

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

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

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

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

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

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

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

**VILLAGE OF GERMANTOWN**

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

**NOTE III - DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 21,821,764	\$ 22,049,986	Custodial Credit
U.S. agencies - explicitly guaranteed	681,019	681,019	Custodial Credit, Interest Rate
U.S. agencies - implicitly guaranteed	5,025,811	5,025,811	Custodial Credit, Interest Rate, Credit, Concentration of Credit
Municipal bonds	176,846	176,845	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	16,929,998	16,929,998	Credit
Petty cash	<u>2,190</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$ 44,637,628</u>	<u>\$ 44,863,659</u>	

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	\$ 22,384,625
Restricted cash and investments	1,211,663
Per statement of assets and liabilities - agency fund	
Agency Fund	<u>21,041,340</u>
Total Deposits and Investments	<u>\$ 44,637,628</u>

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

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

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

VILLAGE OF GERMANTOWN

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

The village maintains collateral agreements with its banks. At December 31, 2017, the banks had pledged various government securities in the amount of \$20,000,000 to secure the village's deposits. The village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

Custodial Credit Risk

Deposits

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

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

Uninsured and uncollateralized	\$ 292,895
Total	\$ 292,895

Investments

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

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

VILLAGE OF GERMANTOWN

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

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

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

Local Government Investment Pool

Concentration of Credit Risk

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

At December 31, 2017, the investment portfolio was concentrated as follows:

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

Interest Rate Risk

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

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

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

VILLAGE OF GERMANTOWN

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

B. RECEIVABLES

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

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

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

Total Unearned/Unavailable Revenue for Governmental Funds

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

VILLAGE OF GERMANTOWN

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

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

C. RESTRICTED ASSETS (cont.)

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner. Following is a list of restricted assets at December 31, 2017:

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated	\$ 13,577,807	-	-	\$ 13,577,807
Land	<u>88,987</u>	<u>44,188</u>	<u>88,987</u>	<u>44,188</u>
Construction in progress	13,666,794	44,188	88,987	13,621,995
Total Capital Assets Not Being Depreciated	<u>13,666,794</u>	<u>44,188</u>	<u>88,987</u>	<u>13,621,995</u>
Capital assets being depreciated	16,091,278	461,456	75,486	16,477,248
Buildings and improvements	11,682,687	741,648	598,297	11,826,038
Machinery and equipment	51,054,004	1,328,495	621,201	51,761,298
Roads	21,155,790	140,042	-	21,295,832
Storm sewers	3,113,917	-	-	3,113,917
Street lighting	7,177,159	42,614	22,031	7,197,742
Bridges	110,274,835	2,714,255	1,317,015	111,672,075
Total Capital Assets Being Depreciated	<u>123,941,629</u>	<u>2,758,443</u>	<u>1,406,002</u>	<u>125,294,070</u>
Total Capital Assets				

VILLAGE OF GERMANTOWN

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (7,570,890)	\$ (467,883)	\$ 75,486	\$ (7,963,287)
Machinery and equipment	(6,720,364)	(581,883)	534,316	(6,767,931)
Roads	(16,931,403)	(1,035,204)	357,984	(17,608,623)
Storm sewers	(11,046,451)	(424,515)	-	(11,470,966)
Street lighting	(2,163,418)	(91,172)	-	(2,254,590)
Bridges	(2,907,037)	(142,361)	14,639	(3,034,759)
Total Accumulated Depreciation	<u>(47,339,563)</u>	<u>(2,743,018)</u>	<u>982,425</u>	<u>(49,100,156)</u>
Net Capital Assets Being Depreciated	62,935,272	(28,763)	334,590	62,571,919
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 76,602,066</u>	<u>\$ 15,425</u>	<u>\$ 423,577</u>	<u>\$ 76,193,914</u>
Depreciation expense was charged to functions as follows:				
<b>Governmental Activities</b>				
General government				\$ 90,643
Public safety				524,586
Public works, which includes the depreciation of infrastructure				1,910,323
Leisure activities				217,466
Total Governmental Activities Depreciation Expense				<u>\$ 2,743,018</u>

VILLAGE OF GERMANTOWN

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>D. CAPITAL ASSETS (cont.)</b>				
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 175,599	\$ -	\$ -	\$ 175,599
Construction in progress	109,084	-	1,940	107,144
Total Capital Assets Not Being Depreciated	<u>284,683</u>	<u>-</u>	<u>1,940</u>	<u>282,743</u>
Capital assets being depreciated				
Buildings and improvements	4,296,754	28,671	27,401	4,298,024
Machinery and equipment	6,212,898	200,172	104,434	6,308,636
Sewer system	42,619,349	1,688,727	148,640	44,159,436
Water system	35,023,180	1,195,807	149,920	36,069,067
Total Capital Assets Being Depreciated	<u>88,152,181</u>	<u>3,113,377</u>	<u>430,395</u>	<u>90,835,163</u>
Total Capital Assets	<u>88,436,864</u>	<u>3,113,377</u>	<u>432,335</u>	<u>91,117,906</u>
Less: Accumulated depreciation for				
Buildings and improvements	(1,039,853)	(125,121)	27,401	(1,137,573)
Machinery and equipment	(3,222,846)	(303,136)	104,434	(3,421,548)
Sewer system	(12,726,322)	(455,035)	148,640	(13,032,717)
Water system	(8,940,665)	(632,128)	149,920	(9,422,873)
Total Accumulated Depreciation	<u>(25,929,686)</u>	<u>(1,515,420)</u>	<u>430,395</u>	<u>(27,014,711)</u>
Net Capital Assets Being Depreciated	62,222,495	1,597,957	-	63,820,452
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 62,507,178</u>	<u>\$ 1,597,957</u>	<u>\$ 1,940</u>	<u>\$ 64,103,195</u>
Depreciation expense was charged to functions as follows:				
<b>Business-type Activities</b>				
Water				\$ 822,144
Sewer				649,244
Total Business-type Activities Depreciation Expense				<u>\$ 1,471,388</u>

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

VILLAGE OF GERMANTOWN

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

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

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

All amounts are due within one year.

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

VILLAGE OF GERMANTOWN

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

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

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

Transfers

The following is a schedule of interfund transfers:

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

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

VILLAGE OF GERMANTOWN

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

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable	\$ 25,130,000	\$ 2,805,000	\$ 3,855,000	\$ 24,080,000	\$ 3,910,000
General obligation debt (Discounts)/Premiums	555,028	54,900	58,680	551,048	-
Sub-totals	25,685,028	2,859,900	3,913,680	24,631,048	3,910,000
Other Liabilities					
Vested compensated absences	751,810	855,125	853,886	753,049	14,423
Capital leases	65,933	-	34,014	31,919	31,919
Net pension liability	870,688	-	438,254	432,434	-
Total Other Liabilities	1,688,431	855,125	1,326,154	1,217,402	46,342
Total Governmental Activities Long-Term Liabilities	\$ 27,373,459	\$ 3,715,025	\$ 5,240,034	\$ 25,848,450	\$ 3,956,342
<b>Business-type Activities</b>					
Bonds and Notes Payable	\$ 1,211,300	-	\$ 97,348	\$ 1,114,042	\$ 98,345
Revenue bonds	1,211,300	-	97,348	1,114,042	98,345
Sub-totals	2,422,600	-	97,348	2,325,252	196,690
Other Liabilities					
Vested compensated absences	99,552	59,741	66,476	92,817	1,856
Net pension liability	97,538	-	50,666	46,872	-
Total Other Liabilities	197,090	59,741	117,142	139,689	1,856
Total Business-type Activities Long-Term Liabilities	\$ 1,409,400	\$ 59,741	\$ 214,490	\$ 1,253,731	\$ 100,201

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2017, was \$128,873,995. Total general obligation debt outstanding at year-end was \$24,080,000.

VILLAGE OF GERMANTOWN

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
GO Promissory Note	5/15/2008	2018	3.70%	\$ 1,480,000	\$ 175,000
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	325,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	1,810,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,000,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.35%	805,000	240,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	1,360,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.25 - 1.75%	3,085,000	1,555,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	1,145,000
GO Community					
Development Bonds - TID No. 6	10/1/2014	2034	3.00 - 4.00%	5,405,000	5,405,000
GO Promissory note	5/14/2014	2024	2.00 - 3.00%	2,645,000	1,980,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	1,065,000	545,000
GO Promissory Note	3/24/2015	2025	2.00%	2,655,000	2,120,000
GO Promissory Note	5/11/2016	2026	2.00%	2,670,000	2,400,000
GO Promissory Note - TID No. 4	5/11/2016	2021	2.00%	1,150,000	930,000
GO Promissory Note - TID No. 4	5/11/2016	2018	2.00%	515,000	265,000
GO Promissory Note	3/29/17	2027	2.00 - 2.55%	2,805,000	2,805,000

Total Governmental Activities - General Obligation Debt

\$ 24,080,000

VILLAGE OF GERMANTOWN

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

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

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

Revenue Debt

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

The village has pledged future water revenues to repay revenue bonds issued in 2005 and 2009. Proceeds from the bonds provided financing for the construction of water plant. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 5.47% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,322,222. Principal and interest paid for the current year and total customer gross revenues were \$139,353 and \$2,502,002, respectively.

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

Business-type Activities Revenue Debt

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

VILLAGE OF GERMANTOWN

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

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

Other Debt Information

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

Bond Covenant Disclosures

Insurance

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

The utility is covered under the following insurance policies at December 31, 2017:

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

VILLAGE OF GERMANTOWN

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

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

F. LONG-TERM OBLIGATIONS (cont.)

Debt Coverage

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

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

G. LEASE DISCLOSURES

Lessee - Capital Leases

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

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

VILLAGE OF GERMANTOWN

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

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

H. NET POSITION/FUND BALANCES

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

Governmental Activities

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

Governmental Funds

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

Nonspendable

Major Fund	
General Fund	\$ 15,094
Prepaid items	<u>15,094</u>

Restricted

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



VILLAGE OF GERMANTOWN

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

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

<b>Restricted (cont.)</b>	
Nonmajor Funds	
Special Revenue Funds	
Police improvements	104,969
Fire improvements	71,665
Library improvements	52,535
Park and recreation improvements	236,102
Library activities	115,892
Capital Project Funds	
TIF purposes	104,986
Sub-Total	686,149
Total	5,099,024
<b>Committed</b>	
Nonmajor Funds	
Senior van replacement	28,928
Police operations	13,704
Police canine activities	72,429
Police honor guard activities	8,725
Historic preservation activities	1,005
Recreation facility improvements	115,294
Total	240,085
<b>Assigned</b>	
Major Funds	
General Fund	
Payment in lieu of tax	551,794
Budget carryovers	272,881
Applied to subsequent budget	137,500
Sub-Total	962,175
General Capital Projects Fund	
Capital projects	1,103,233
Total	2,065,408
<b>Unassigned</b>	
Major Fund	
General fund	5,175,649
Nonmajor Fund	(21,313)
TIF No. 7 (deficit)	
Total	5,154,336

VILLAGE OF GERMANTOWN

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

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

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

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

The WRS also provides death and disability benefits for employees.

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

Years	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$545,678 in contributions from the village.

Contribution rates as of December 31, 2017 are:

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

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

At December 31, 2017, the village reported a liability (asset) of \$479,306 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The village's proportion of the net pension liability (asset) was based on the village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the village's proportion was 0.05815135%, which was a decrease of 0.00144704% from its proportion measured as of December 31, 2015.

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

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2017, the village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 182,759	\$ 1,507,376
Changes in assumptions	501,011	-
Net differences between projected and actual earnings on pension plan investments	2,385,834	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,959	-
Employer contributions subsequent to the measurement date	577,241	-
Totals	<u>\$ 3,701,804</u>	<u>\$ 1,507,376</u>

\$577,241 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

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

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	3.2%
Inflation:	0.2% - 5.6%
Seniority/Merit:	Wisconsin 2012 Mortality Table
Mortality:	2.1%
Post-retirement Adjustments*:	

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<b>Variable Fund Asset Class</b>				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

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

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
Village's proportionate share of the net pension liability (asset)	\$6,305,577	\$479,306	\$(4,007,187)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://ef.wi.gov/publications/cafr.htm>.

At December 31, 2017, the village reported a payable to the pension plan of \$88,975, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

Self Insurance

For health claims, the uninsured risk of loss is \$45,000 per incident and \$2,000,000 in the aggregate for a policy year. The village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

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

**Self Insurance** (cont.)

All funds of the village participate in the risk management program. Accounts payable in the internal service funds are based on estimates of the amounts necessary to pay prior and current year claims. That reserve was \$1,534,079 at year-end and is reported in unrestricted net position of the internal service funds.

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

**Claims Liability**

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

**C. COMMITMENTS AND CONTINGENCIES**

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

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

The village has active construction projects as of December 31, 2017. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

**D. SUBSEQUENT EVENTS**

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

VILLAGE OF GERMANTOWN

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

NOTE IV - OTHER INFORMATION (cont.)

**D. SUBSEQUENT EVENTS** (cont.)

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

**E. TAX ABATEMENT**

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

The village, through its Tax Incremental Financing District (TID) No. 4, has entered into tax abatement agreements with a developer in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. The incentives are calculated based on an agreed percentage of increment collected and the developer commitments include making timely payments of property taxes. Aggregate incentive payments for the year ended December 31, 2017 were \$187,123.

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

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

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

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

## **GENERAL FUND**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF GERMANTOWN

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes				
General property taxes	\$ 9,420,753	\$ 9,420,753	\$ 9,420,153	\$ (600)
Other taxes	922,185	388,624	429,513	40,889
Special assessments	-	4,685	4,685	-
Intergovernmental	2,284,747	2,284,747	2,303,300	18,553
Regulation and compliance	881,180	885,080	1,106,195	221,115
Public charges for services	1,678,378	1,674,183	1,793,432	119,249
Investment income	51,724	50,600	63,636	13,036
Miscellaneous	190,051	26,895	126,045	99,150
Total Revenues	<u>15,429,016</u>	<u>14,735,567</u>	<u>15,246,959</u>	<u>511,392</u>
<b>EXPENDITURES</b>				
General Government				
Village board	123,970	123,970	166,215	(42,245)
General administrator	107,588	108,705	132,354	(23,649)
Village clerk	312,028	281,162	231,539	49,623
Treasurer/accounting	188,967	192,800	187,803	4,997
Assessor	117,818	117,818	132,708	(14,890)
Data processing	81,062	82,459	76,285	6,174
General government	158,990	103,129	76,343	26,786
Buildings and ground maintenance	591,979	639,219	565,984	73,235
Total General Government	<u>1,682,402</u>	<u>1,649,262</u>	<u>1,569,231</u>	<u>80,031</u>
Public Safety				
Police protection	4,870,925	4,731,055	4,567,188	163,867
Fire protection	1,886,812	1,875,437	1,752,943	122,494
Emergency government	16,988	17,048	15,791	1,257
Protective inspections	227,683	215,415	220,119	(4,704)
Total Public Safety	<u>7,002,378</u>	<u>6,838,955</u>	<u>6,556,041</u>	<u>282,914</u>
Public Works				
Engineer/director	221,911	214,040	216,080	(2,040)
Highway and street maintenance and construction	3,172,005	3,119,511	2,893,564	225,947
Solid waste recycling	398,521	398,902	386,172	12,730
Total Public Works	<u>3,792,437</u>	<u>3,732,453</u>	<u>3,495,816</u>	<u>236,637</u>

See independent auditors' report and accompanying notes to required supplementary information. Page 56

VILLAGE OF GERMANTOWN

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

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

See independent auditors' report and accompanying notes to required supplementary information. Page 57

VILLAGE OF GERMANTOWN

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

**BUDGETARY INFORMATION**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1. C.

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

Appropriations lapse at year-end unless specifically carried over. Carryovers to the following year were \$272,881. Budgets are adopted at the department level of expenditure.

**WISCONSIN RETIREMENT SYSTEM**

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

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

Changes in assumptions. There were no changes in assumptions.

VILLAGE OF GERMANTOWN

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

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/17	0.05815135%	\$ 479,306	\$ 6,898,756	6.85%	89.12%
12/31/16	0.05959839%	968,226	6,919,994	13.99%	98.20%
12/31/15	0.06091924%	(1,496,343)	7,018,809	21.32%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2017

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

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



**DEBT SERVICE FUND**

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

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF GERMANTOWN**

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

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

**MAJOR CAPITAL PROJECTS FUNDS**

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Cont'd)

### NONMAJOR GOVERNMENTAL FUNDS

#### CAPITAL PROJECTS FUNDS

##### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**VILLAGE OF GERMANTOWN**

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

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
Cash and investments	\$ -	\$ -	\$ -
Receivables	-	-	-
Taxes receivable	-	-	-
Accrued interest	-	-	-
Restricted Assets	104,731	71,539	52,437
Cash and investments Interest	238	126	98
<b>TOTAL ASSETS</b>	<b>\$ 104,969</b>	<b>\$ 71,665</b>	<b>\$ 52,535</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources			
Deferred inflows of resources	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances			
Restricted	104,969	71,665	52,535
Committed	-	-	-
Unrestricted (deficit)	-	-	-
Total Fund Balances	104,969	71,665	52,535
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 104,969</b>	<b>\$ 71,665</b>	<b>\$ 52,535</b>

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

**VILLAGE OF GERMANTOWN**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 As of December 31, 2017

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

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

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

VILLAGE OF GERMANTOWN

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

Capital Projects Funds	Police Asset Forfeiture Fund	Police Canine Fund	Police Honor Guard	Historic Preservation Fund	Library Fund	Facility Fees Fund	TID No. 6 Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 857
2,480	533	83	8	48,983	803	2,874	-
210	20,050	1,377	600	888	110,948	-	-
2,690	20,583	1,460	608	49,831	1,691	114,679	-
-	4,047	16,233	8,978	400	1,670	25,032	-
-	-	-	-	-	-	-	36,309
-	-	-	-	-	-	-	179,134
-	4,047	16,233	8,978	400	1,670	25,032	215,443
2,690	(3,273)	4,350	(7,518)	208	21	24,799	(100,764)
-	-	-	16,243	-	-	-	-
-	-	-	16,243	-	-	-	(184,713)
2,690	(3,273)	4,350	8,725	208	21	24,799	(285,477)
26,238	16,977	68,079	-	797	115,871	90,495	390,463
\$ 28,928	\$ 13,704	\$ 72,429	\$ 8,725	\$ 1,005	\$ 115,892	\$ 1,15,294	\$ 104,986

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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



VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Public charges for services	\$ 36,500	\$ 36,500	\$ 48,983	\$ 12,493
Investment income	1,000	1,000	838	(162)
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>49,831</u>	<u>12,331</u>
<b>EXPENDITURES</b>				
Culture and recreation	35,500	35,500	25,032	10,468
Total Expenditures	<u>35,500</u>	<u>35,500</u>	<u>25,032</u>	<u>10,468</u>
<b>Net Change in Fund Balance</b>	2,000	2,000	24,799	22,799
FUND BALANCE - Beginning of Year	90,495	90,495	90,495	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 92,495</u>	<u>\$ 92,495</u>	<u>\$ 115,294</u>	<u>\$ 22,799</u>

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

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

**INTERNAL SERVICE FUNDS**

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

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

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

VILLAGE OF GERMANTOWN

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

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

VILLAGE OF GERMANTOWN

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

	Health Insurance Fund	Dental Insurance Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from other funds	\$ 1,574,768	\$ 101,390	\$ 1,676,158
Paid to suppliers for goods and services	(1,390,244)	(88,766)	(1,479,010)
Net Cash Flows From Operating Activities	<u>184,524</u>	<u>12,624</u>	<u>197,148</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	8,352	165	8,517
Net Cash Flows From Investing Activities	<u>8,352</u>	<u>165</u>	<u>8,517</u>
<b>Net Change in Cash and Cash Equivalents</b>	192,876	12,789	205,665
CASH AND CASH EQUIVALENTS - Beginning of Year	1,432,068	43,002	1,475,070
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,624,944</u>	<u>\$ 55,791</u>	<u>\$ 1,680,735</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 29,420	\$ 17,663	\$ 47,083
Changes in assets and liabilities	8,153	-	8,153
Accounts receivable	146,951	(5,039)	141,912
Accounts payable			
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 184,524</u>	<u>\$ 12,624</u>	<u>\$ 197,148</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None			

**VILLAGE OF GERMANTOWN**

STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUND  
For the Year Ended December 31, 2017

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

**FIDUCIARY FUND**

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

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

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



## Statistical Section

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

### FINANCIAL TRENDS – TABLES 1-4

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

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

### REVENUE CAPACITY – TABLES 5 - 13

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

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

### DEBT CAPACITY – TABLES 14 - 18

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

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

### DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 19 - 20

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

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

### OPERATING INFORMATION – TABLES 21 - 24

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

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

**Sources:** Unless otherwise noted, the information noted in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 2

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

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenditures</b>									
<b>Governmental activities</b>									
2,449,247	1,971,196	1,699,476	1,718,952	1,740,499	1,653,929	1,723,573	1,770,668	1,918,870	1,938,952
6,914,304	6,990,716	7,018,081	6,919,956	7,779,673	7,373,151	7,757,151	7,186,673	7,481,578	7,676,629
4,915,205	4,666,639	4,910,845	5,419,423	5,891,748	5,297,927	5,877,932	5,421,794	7,675,764	6,116,681
2,488,953	2,393,466	2,433,854	2,559,974	2,584,989	2,622,485	2,657,723	2,822,720	2,848,360	3,026,746
15,140,241	14,932,104	15,042,150	15,133,340	15,133,907	15,133,907	15,133,907	15,133,907	15,133,907	15,133,907
1,937,702	18,121,655	18,042,765	18,121,655	18,042,765	20,332,240	20,332,240	20,332,240	20,332,240	20,332,240
<b>Business-type activities</b>									
2,024,709	1,694,227	1,814,474	1,846,078	1,977,945	1,972,682	2,092,964	1,999,864	1,968,708	2,038,214
5,014,472	4,798,423	5,015,187	5,202,195	5,488,408	5,533,202	5,571,720	6,026,848	6,306,500	6,357,603
7,039,265	6,493,150	6,830,661	7,048,244	7,465,751	7,505,884	7,654,084	7,966,712	8,273,598	8,395,817
26,116,744	23,738,852	24,407,886	25,091,027	25,577,404	26,560,426	27,706,474	28,427,006	31,414,773	28,628,710
<b>Program Revenues</b>									
<b>Governmental activities</b>									
265,333	265,463	279,204	266,974	310,657	312,260	305,520	320,634	311,203	311,761
1,595,755	1,595,755	1,595,755	1,595,755	1,595,755	1,595,755	1,595,755	1,595,755	1,595,755	1,595,755
240,199	190,342	166,902	242,763	252,638	271,697	271,697	223,662	189,681	232,271
787,828	839,153	926,718	897,803	923,857	939,005	1,001,648	1,086,100	1,112,629	1,121,684
14,538	8,662	7,773	8,487	14,578	13,808	14,481	15,662	10,389	16,571
2,489,236	1,617,881	320,030	1,635,205	1,536,083	96,083	111,488	227,132	143,058	1,576,989
6,123,672	4,071,242	3,948,844	3,890,762	4,425,234	4,133,700	4,329,662	4,492,010	4,489,083	5,133,070
<b>Business-type activities</b>									
5,308,688	5,363,302	6,806,478	6,812,628	7,668,180	8,181,716	8,097,648	9,368,757	9,267,041	9,047,463
1,721,377	956,876	432,357	579,958	381,262	118,335	928,330	349,330	2,288,166	2,622,969
7,028,235	6,310,178	6,239,235	7,192,586	8,339,442	8,300,051	9,025,978	9,718,087	11,555,207	11,690,552
15,151,907	10,381,420	10,188,079	11,083,346	12,784,676	12,433,751	13,355,640	14,210,697	16,044,630	16,822,622
(12,953,857)	(13,266,460)	(16,628,481)	(14,152,021)	(13,902,419)	(14,520,842)	(15,892,628)	(13,968,884)	(18,661,782)	(16,079,823)
(11,020)	(90,972)	(591,428)	144,342	(863,891)	794,167	1,351,894	1,751,575	3,213,509	3,273,235
(12,964,887)	(13,357,432)	(14,219,907)	(14,007,679)	(12,812,728)	(14,126,675)	(14,440,734)	(12,217,309)	(15,389,635)	(11,806,088)
<b>Net (Expense) Revenue and Other Changes in Net Assets</b>									
208,937	208,937	208,937	208,937	208,937	208,937	208,937	208,937	208,937	208,937
<b>Governmental Activities:</b>									
<b>Taxes</b>									
12,419,163	12,419,163	12,419,163	12,419,163	12,419,163	12,419,163	12,419,163	12,419,163	12,419,163	12,419,163
971,484	971,484	971,484	971,484	971,484	971,484	971,484	971,484	971,484	971,484
515,428	515,428	515,428	515,428	515,428	515,428	515,428	515,428	515,428	515,428
701,728	701,728	701,728	701,728	701,728	701,728	701,728	701,728	701,728	701,728
14,351,150	14,351,150	14,351,150	14,351,150	14,351,150	14,351,150	14,351,150	14,351,150	14,351,150	14,351,150
<b>Business-type Activities:</b>									
276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937
276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937	276,937
14,829,097	14,829,097	14,829,097	14,829,097	14,829,097	14,829,097	14,829,097	14,829,097	14,829,097	14,829,097
1,844,032	1,844,032	1,844,032	1,844,032	1,844,032	1,844,032	1,844,032	1,844,032	1,844,032	1,844,032
1,860,852	1,860,852	1,860,852	1,860,852	1,860,852	1,860,852	1,860,852	1,860,852	1,860,852	1,860,852
1,665,200	1,665,200	1,665,200	1,665,200	1,665,200	1,665,200	1,665,200	1,665,200	1,665,200	1,665,200

Table 1

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

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>									
60,530,681	60,703,713	60,362,007	59,220,039	60,028,464	59,389,835	58,828,409	59,451,387	60,705,364	61,320,322
(20,559)	(20,559)	(20,559)	(20,559)	(20,559)	(20,559)	(20,559)	(20,559)	(20,559)	(20,559)
(6,201,150)	(5,002,450)	(2,677,960)	(3,764,048)	(3,104,646)	(1,654,735)	(4,827,535)	(1,627,478)	832,027	1,140,860
54,289,090	55,688,525	57,700,760	59,860,731	62,892,904	65,799,677	64,385,764	68,184,508	68,211,317	68,230,006
<b>Business-type activities</b>									
59,454,979	60,229,375	59,584,183	59,199,397	58,229,635	57,104,949	57,657,469	57,037,753	61,205,788	62,989,153
79,1539	809,221	686,986	624,121	625,311	639,877	663,237	635,537	645,764	743,773
6,823,221	5,615,294	5,317,892	5,390,007	6,676,728	5,005,572	5,284,552	10,311,120	9,044,837	10,106,271
67,074,739	66,654,890	65,598,751	65,213,515	65,531,674	65,799,388	66,625,238	68,184,410	71,093,889	73,839,197
<b>Primary Government</b>									
120,084,660	119,925,570	118,906,035	117,692,446	117,942,715	116,384,112	116,205,203	116,250,142	120,309,059	122,530,668
1,156,075	1,005,729	898,729	869,489	869,489	869,489	869,489	869,489	869,489	869,489
27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075
121,473,829	122,553,415	123,330,511	125,174,246	128,424,578	128,580,078	131,011,002	138,368,918	138,217,006	140,070,103
<b>Total business-type activities net position</b>									

Table 4  
**Village of Germantown, Wisconsin**  
**Changes in Fund Balances, Total Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>	12,413,153	12,876,470	13,689,121	13,753,000	13,716,374	13,846,636	12,869,874	12,814,339	13,970,469	14,046,681
Taxes	625,463	629,761	630,325	634,656	637,225	678,485	678,485	678,485	680,969	685,299
Special Assessments	2,150,005	2,142,035	2,188,980	2,262,406	2,279,802	2,357,270	2,409,242	2,508,837	2,626,584	2,642,780
Intergovernmental	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161	1,095,644	2,473,891	2,472,247
Regulation and compliance	1,189,995	1,206,923	1,285,042	1,334,581	1,484,777	1,627,811	1,691,512	1,721,835	1,821,522	2,118,088
Public charges for services	48,819	61,995	53,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Interdepartmental charges	230,239	244,627	246,239	88,651	200,216	205,947	139,479	115,493	113,796	139,117
Miscellaneous income	17,882,294	18,052,966	18,865,881	19,955,021	20,058,900	19,516,846	20,632,189	19,280,641	19,569,732	20,184,356
Total Revenues	17,882,294	18,052,966	18,865,881	19,955,021	20,058,900	19,516,846	20,632,189	19,280,641	19,569,732	20,184,356
<b>Expenditures</b>	17,207,719	1,406,082	1,378,302	1,378,656	1,400,870	1,398,722	1,411,749	1,388,142	1,508,556	1,589,231
General Government	625,463	629,761	630,325	634,656	637,225	678,485	678,485	678,485	680,969	685,299
Public Safety	1,155,005	1,142,035	1,188,980	1,262,406	1,279,802	1,357,270	1,409,242	1,508,837	1,626,584	1,642,780
Health and Welfare	234,035	222,248	207,684	199,172	187,562	692,834	452,332	422,986	476,686	451,709
Culture and recreation	5,782,571	2,140,462	2,124,425	1,768,244	3,799,649	2,832,305	4,328,230	3,880,393	7,500,467	3,186,307
Conservation and development	4,391,009	8,058,387	4,067,338	4,001,301	4,989,931	3,803,657	5,477,985	4,545,000	6,560,000	3,855,000
Capital Outlay	1,412,272	144,210	144,403	144,403	144,403	144,403	144,403	144,403	144,403	144,403
Debt Service	5,328,402	5,271,241	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883
Principal	141,272	144,210	144,403	144,403	144,403	144,403	144,403	144,403	144,403	144,403
Interest	5,187,130	5,127,031	4,943,480	4,943,480	4,943,480	4,943,480	4,943,480	4,943,480	4,943,480	4,943,480
Capital projects funds	6,328,402	5,271,241	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883	5,087,883
Total Expenditures	25,164,301	24,466,955	20,474,316	20,333,115	22,174,001	22,866,306	23,468,506	20,517,743	22,396,256	22,396,256
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(7,282,007)	(6,443,959)	(1,608,425)	(682,003)	(2,274,215)	(2,657,183)	(4,634,161)	(4,187,845)	(9,927,951)	(2,211,889)
<b>Other Financing Sources (Use):</b>	363,940	-	-	-	-	-	-	-	-	-
Proceeds from the sale of land	-	-	-	-	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	-	-	-	-
Issuance of long-term notes	1,480,000	1,695,172	1,795,000	2,200,000	2,370,000	1,905,000	8,050,000	2,655,000	2,670,000	2,805,000
Issuance of refunding debt	-	3,740,000	3,905,000	-	3,890,000	-	-	-	1,065,000	1,665,000
Premium on long-term debt	-	-	3,740	83,886	-	-	-	-	423,821	70,246
Payment on escrow account	4,285,182	4,278,973	(3,918,338)	(3,086,483)	(3,086,483)	-	-	-	2,583,874	2,640,988
Transfers in	(3,921,203)	(3,726,539)	(4,276,869)	(4,944,003)	4,957,000	4,957,000	4,957,000	4,957,000	4,957,000	4,957,000
Transfers Out	-	-	-	(1,236,889)	(1,377,360)	(1,236,889)	(1,236,889)	(1,236,889)	(1,236,889)	(1,236,889)
Total Other Financing Sources (Use)	2,306,119	5,919,607	2,319,048	2,832,640	3,753,187	2,479,705	10,219,447	3,253,399	4,993,516	3,411,884
<b>Net Change in Fund Balances</b>	(4,976,808)	(523,962)	710,623	2,250,837	1,478,972	(177,468)	5,585,286	(834,466)	(4,934,475)	1,199,795
Debt Service as a percentage of noncapital expenditures	28.64%	41.56%	27.71%	26.76%	29.27%	23.02%	28.71%	28.51%	27.28%	22.44%

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

(1) 2017 Capital Outlay actually capitalized \$2,472,004. Total Noncapital expenditures \$19,924,251

Table 3  
**Village of Germantown, Wisconsin**  
**Fund Balances, Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>	1,444,820	1,850,889	2,241,436	3,254,589	3,955,528	4,116,853	4,289,492	4,928,443	5,317,388	6,152,918
Reserved for:	-	-	-	-	-	-	-	-	-	-
Noncapital receivables	78,841	88,735	99,505	-	-	-	-	-	-	-
Payment in lieu of taxes	446,759	484,435	533,647	-	-	-	-	-	-	-
Designated for carryovers	-	-	91,263	-	-	-	-	-	-	-
Undesignated	919,250	1,277,719	1,817,020	-	-	-	-	-	-	-
Nonspendable	-	-	65,837	54,782	67,183	149,592	2,248	16,035	16,084	-
Assigned - payment in lieu of taxes	-	-	648,954	578,670	574,705	529,246	526,183	519,500	551,784	-
Assigned - carryovers	-	-	254,097	328,036	202,503	187,608	471,661	332,882	410,381	-
Unassigned	-	-	2,365,601	2,993,040	3,271,462	3,409,046	4,454,981	4,454,981	5,175,649	-
<b>All Other Governmental Funds</b>	-	-	-	-	-	-	-	-	-	-
Reserved for:	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	(160,612)	40,002	233,980	-	-	-	-	-	-	-
Impact fees	164,883	89,031	97,765	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	141,272	144,210	144,403	-	-	-	-	-	-	-
Capital projects funds	6,328,402	5,271,241	5,087,883	-	-	-	-	-	-	-
Nonspendable	-	-	-	613,074	-	-	770,081	933,635	4,296,655	5,059,024
Postpaid	-	-	-	5,371,544	-	-	10,466,956	10,466,956	10,466,956	10,466,956
Assigned	-	-	-	61,988	7,092,488	6,652,956	6,442,277	185,098	209,586	240,085
Unassigned	-	-	-	1,079,892	795,282	1,023,188	1,256,639	1,863,541	1,598,510	1,103,233
Total all other governmental funds	6,473,945	5,544,484	5,564,021	7,101,704	7,879,737	7,541,954	12,973,601	11,380,184	6,056,754	(21,313)
Total fund balance, governmental fund:	7,918,725	7,395,373	8,105,456	10,356,293	11,835,265	11,657,807	17,243,093	16,308,627	11,374,152	12,573,947

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

Source: Comprehensive Annual Financial Reports

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

Table 5  
**Village of Germantown, Wisconsin**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended Dec 31	Real Property		Personal Property		Total Assessed Value	Total Equalized Value	Village Total Direct Tax Rate	Ratio of Assessed to Equalized
	Assessed	Equalized	Assessed	Equalized				
2008	2,332,772,100	2,364,052,785	59,876,656	60,679,556	2,392,648,756	2,424,732,341	0.449	98.68%
2009	2,371,176,000	2,393,612,200	60,983,950	61,526,000	2,432,159,950	2,445,138,200	0.458	99.47%
2010	2,358,535,000	2,319,246,300	58,963,483	59,121,100	2,417,498,483	2,378,367,400	0.461	101.65%
2011	2,355,846,200	2,295,471,300	55,860,303	54,905,600	2,411,835,503	2,350,376,900	0.468	102.61%
2012	2,367,627,500	2,194,612,000	56,286,738	54,047,300	2,424,114,238	2,248,659,300	0.465	107.80%
2013	2,387,341,800	2,140,735,100	66,850,800	61,419,400	2,454,272,000	2,202,155,900	0.466	111.45%
2014	2,353,243,300	2,219,152,200	60,869,700	64,198,900	2,314,113,000	2,283,352,100	0.497	101.19%
2015	2,333,946,300	2,351,421,300	57,265,100	54,482,100	2,391,216,400	2,405,913,400	0.510	98.64%
2016	2,454,515,300	2,444,466,300	60,862,600	61,146,600	2,515,447,900	2,577,479,900	0.564	97.55%
2017	2,454,515,300	2,516,333,300	60,862,600	61,146,600	2,515,447,900	2,577,479,900	0.564	97.55%

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

The State determines assessed valuation of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors. New and improved residential and commercial property located within the Village are assessed annually by the local assessor. Assessments are based on the assessed value of the property as of the date of assessment. Assessments of property are reviewed by the local assessor. Assessments are based on the assessed value of the property as of the date of assessment. Assessments of property are reviewed by the local assessor.

The Board of Review consists of local assessors, local officials, and citizen appointees. The assessors do not have a vote on final determinations. The State's full value law mandates that all assessable property in the State be valued by 100% of market value. Statutes, case law, and administrative rules require that each major class of property (except agricultural property) be kept within 10% of that full value at least once in the past four years. Village-wide revaluations are then undertaken.

Table 6a  
**Village of Germantown, Wisconsin**  
**Direct and Overlapping Property Tax Rates (per \$1,000 of assessed value), before State School Credits**  
**Last Ten Fiscal Years**

Fiscal Year Ended Dec 31	Basic	Village Direct Rates		Total Tax Rate	Overlapping Rates		Total Tax Levy
		Debt Service	Capital Projects		Washington County	Milwaukee Area Technical College	
2008	3.54	0.95	0.00	4.49	2.75	1.86	18.36
2009	3.73	0.85	0.00	4.58	2.79	1.92	19.10
2010	3.87	0.74	0.00	4.61	2.81	1.89	19.60
2011	3.86	0.80	0.00	4.66	2.78	1.90	19.38
2012	3.83	0.82	0.00	4.65	2.67	1.96	19.01
2013	3.77	0.89	0.00	4.66	2.57	1.91	18.12
2014	3.99	0.98	0.00	4.97	2.66	1.25	18.42
2015	3.94	1.03	0.00	4.97	2.59	1.27	17.78
2016	3.92	1.12	0.00	5.04	2.55	1.29	18.01
2017	3.92	1.12	0.00	5.04	2.55	1.29	18.01

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

Table 6b  
**Village of Germantown, Wisconsin**  
**Full Value Rates for Property Taxes expressed in dollars per \$1,000 of equalized value (excluding TIF)**  
**Last Ten Fiscal Years**

Year Levied Tax Collected	1 Schools		2 Other		3 Total Full Value Effective Rate
	Local	County	Local	County	
2008/09	4.42	10.80	1.23	1.23	16.57
2009/10	4.55	11.50	2.78	1.35	17.52
2010/11	4.69	12.20	2.86	1.50	18.41
2011/12	4.79	12.07	2.86	1.45	18.35
2012/13	5.02	12.43	2.88	1.57	18.88
2013/14	5.19	11.97	2.86	0.94	19.19
2014/15	5.07	10.74	2.86	1.14	17.74
2015/16	5.07	10.40	2.80	0.18	17.24
2016/17	4.94	10.01	2.58	0.18	16.87
2017/18	4.92	10.17	2.49	0.00	17.58

1 The Schools tax rate reflects the composite rate of all local school districts and the technical college districts

2 Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes any tax increment and taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts.

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

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

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year		Collected within the Fiscal year of the Levy		Collection in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2008	42,012,204	74.37%	31,243,429	74.37%	10,748,884	41,992,313	99.95%
2009	46,443,430	73.44%	34,109,304	73.44%	12,303,856	46,413,160	99.93%
2010	47,372,096	73.43%	34,787,132	73.43%	12,564,999	47,352,132	99.96%
2011	46,077,498	75.64%	35,643,828	75.64%	11,466,927	47,110,755	99.97%
2012	44,480,179	74.60%	34,372,703	74.60%	11,667,411	46,040,113	99.92%
2013	42,693,918	75.54%	33,590,277	75.54%	10,871,870	44,471,147	99.98%
2014	43,680,361	75.87%	33,301,064	75.87%	9,076,714	43,567,798	99.87%
2015	44,292,776	76.65%	33,948,559	76.65%	10,577,270	43,878,769	99.92%
2016	45,309,491	77.19%	34,975,793	77.19%	10,333,698	44,255,910	99.95%
2017							

Source: Village Finance Department  
 \*\* Still in process

Notes: Amounts collected include Village of Germantown and all other taxing bodies which make up the total levy.  
 1. The amount shown is net of the State Tax Credit  
 2. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing authorities on or about August 20 of the collection year  
 Personal Property is collected by municipality

**Village of Germantown, Wisconsin**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	2017		2008	
	Estimated Equalized Value <sup>1</sup>	Percentage Village's Total Equalized Value	Taxable Equalized Value	Percentage Village's Total Equalized Value
The Gables of Germantown LLC	22,086,007	0.86%	15,201,199	0.64%
Aligas Society	19,744,131	0.77%		
Serintal Germantown	24,718,430	0.86%		
Meridian Germantown LLC	16,131,630	0.63%	19,388,655	0.81%
Cannologie Major Laboratories	13,919,636	0.82%	10,295,425	0.43%
JW Speake/Phymack	13,938,688	0.54%		
Heather Lake	13,338,596	0.53%		
Stonieredge Properties	12,816,197	0.50%	13,594,301	0.57%
Germantown Properties	8,887,246	0.34%	11,838,032	0.49%
Menard's	8,803,075	0.34%	12,401,632	0.52%
Waste Management			15,179,701	0.63%
Compass Properties				
Devo Germantown LLC				
Geh's Guernsey			11,082,220	0.46%
Germantown Plaza				
Fountain Square			15,099,701	0.63%
Aurora Health Care			14,166,101	0.59%
Anthony Palermo				
Total	\$156,564,019	6.07%	\$138,247,167	5.78%

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

a) Total Equalized Value January 1, 2017 = \$ 2,577,479,900  
 b) Total Equalized Value January 1, 2008 = \$ 2,392,648,756

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

Table 9

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
Water and Sewer											
Number of Water Customers	5,428	5,469	5,479	5,510	5,238	5,265	5,311	5,359	5,440	5,460	5,484
Number of Wastewater Customers	1,468,088	1,431,337	1,437,277	1,384,222	1,424,038	1,516,312	1,749,041	1,788,090	1,914,348	1,528,685	1,479,211
(gallons)											
Number of Wastewater Customers	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,686	5,705

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

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

Table 10

	2007	2008	2009	2010	2011	2012	2013*	2014	2015	2016	2017
Number of customers											
Residential	4,595	4,628	4,636	4,663	4,670	4,685	4,727	4,774	4,840	4,857	4,865
Res - Multi-Family*	785	801	802	802	523	528	432	433	451	450	466
Commercial	27	21	21	21	21	22	22	22	22	22	22
Industrial	19	19	20	24	24	20	23	23	19	19	23
Public											
<b>Total</b>	<b>5,428</b>	<b>5,469</b>	<b>5,479</b>	<b>5,510</b>	<b>5,238</b>	<b>5,265</b>	<b>5,311</b>	<b>5,359</b>	<b>5,440</b>	<b>5,460</b>	<b>5,484</b>
Gallons (thousands)											
Residential	312,443	306,127	301,575	281,134	281,405	314,016	270,989	264,890	270,293	263,740	255,115
Res - Multi-Family*	167,088	168,601	177,733	170,811	180,989	176,460	119,599	106,317	51,243	46,780	140,659
Commercial	44,493	36,936	34,067	43,368	47,300	53,276	181,544	227,407	247,581	238,118	128,166
Industrial	10,248	10,774	11,231	9,928	10,080	9,702	9,373	7,982	8,372	8,877	10,556
Public											
<b>Total</b>	<b>534,232</b>	<b>522,438</b>	<b>524,606</b>	<b>505,241</b>	<b>519,774</b>	<b>563,454</b>	<b>638,400</b>	<b>656,303</b>	<b>668,737</b>	<b>662,434</b>	<b>539,972</b>

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

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

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

Table 12

	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
<b>Number of customers</b>										
Residential	4,380	4,389	4,412	4,419	4,432	4,473	4,519	4,564	4,574	4,578
Commercial	1,301	1,308	1,308	1,028	1,027	1,026	1,031	1,066	1,070	1,075
Industrial	26	27	29	29	31	32	32	31	31	31
Public	20	20	21	21	21	21	21	21	21	21
<b>Total</b>	<b>5,727</b>	<b>5,744</b>	<b>5,770</b>	<b>5,497</b>	<b>5,511</b>	<b>5,552</b>	<b>5,603</b>	<b>5,682</b>	<b>5,696</b>	<b>5,705</b>
<b>Gallons (thousands)</b>										
Residential	291,335	296,805	266,797	268,106	286,742	263,821	251,582	255,966	249,473	241,242
Commercial	160,627	169,260	165,434	174,766	171,901	159,206	139,755	160,665	161,433	166,929
Industrial	1,38,283	117,070	142,091	160,703	194,685	216,399	189,970	307,978	272,429	246,822
Public	9,237	9,666	7,953	7,893	7,368	7,264	8,035	8,304	8,022	10,669
<b>Total</b>	<b>589,492</b>	<b>591,801</b>	<b>602,275</b>	<b>611,468</b>	<b>672,696</b>	<b>646,690</b>	<b>589,342</b>	<b>732,943</b>	<b>691,357</b>	<b>665,662</b>

Source: Village of Germantown Utility Records

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

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

Table 11

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Metered Service</b>										
Quarterly Service Charge	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27
5/8 inch meter	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27	15.27	15.27	15.27
3/4 inch meter	\$22.50	\$23.18	\$24.00	24.00	24.00	24.72	25.46	25.46	25.46	25.46
1 inch meter	\$30.75	\$31.67	\$33.00	33.00	33.00	33.99	35.01	35.01	35.01	35.01
1 1/4 inch meter	\$39.00	\$40.17	\$42.00	42.00	42.00	43.26	44.56	44.56	44.56	44.56
1 1/2 inch meter	\$60.00	\$61.80	\$63.00	63.00	63.00	64.89	66.84	66.84	66.84	66.84
2 inch meter	\$89.00	\$101.97	\$105.00	105.00	105.00	108.15	111.39	111.39	111.39	111.39
3 inch meter	\$156.00	\$160.68	\$162.00	162.00	162.00	166.86	171.87	171.87	171.87	171.87
4 inch meter	\$288.00	\$296.64	\$300.00	300.00	300.00	309.00	318.24	318.24	318.24	318.24
6 inch meter	\$444.00	\$457.32	\$462.00	462.00	462.00	475.86	490.14	490.14	490.14	490.14
8 inch meter	\$648.00	\$675.44	\$675.00	675.00	675.00	695.25	716.11	716.11	716.11	716.11
10 inch meter	\$855.00	\$880.65	\$891.00	891.00	891.00	917.73	945.26	945.26	945.26	945.26
12 inch meter										
Volume rate (per 1,000 gallons)	\$1.94	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22	\$2.29	\$2.29	\$2.29	\$2.29
First 100,000 gallons	\$1.65	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91	\$1.97	\$1.97	\$1.97	\$1.97
Next 900,000 gallons	\$1.42	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62	\$1.67	\$1.67	\$1.67	\$1.67
Over 1,000,000 gallons										
<b>Public Fire Protection</b>										
Annual service charge to the Village of Germantown	\$491,824	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776	\$537,429	\$537,429	\$537,429	\$537,429
<b>Private Fire Protection</b>										
Quarterly Service Charge	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
2 inch or smaller connection	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
3 inch connection	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
4 inch connection	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00
6 inch connection	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00
8 inch connection	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
10 inch connection	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
12 inch connection										

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

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

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

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

Source: Village of Germantown Utility Records

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

Table 13

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Metered Service</b>										
Quarterly Service Charge	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01
5/8 inch meter	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01	\$40.01	\$40.01	\$40.01
3/4 inch meter	\$37.00	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29	\$74.02	\$74.02	\$74.02	\$74.02
1 inch meter	\$51.00	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75	\$102.02	\$102.02	\$102.02	\$102.02
1 1/2 inch meter	\$66.00	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01	\$132.02	\$132.02	\$132.02	\$132.02
2 inch meter	\$101.00	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67	\$202.03	\$202.03	\$202.03	\$202.03
3 inch meter	\$181.00	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14	\$362.06	\$362.06	\$362.06	\$362.06
4 inch meter	\$296.00	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26	\$592.08	\$592.08	\$592.08	\$592.08
6 inch meter										
Volume rate (per 1,000 gallons)										
All Classes	\$4.32	\$4.32	\$4.752	\$5.465	\$6.285	\$6.285	\$6.913	\$6.913	\$6.913	\$6.913
Residential Only		\$5.40	\$5.940	\$6.831	\$7.856	\$7.856	\$8.641	\$8.641	\$8.641	\$8.641
Commercial, Industrial, Public										
<b>General Unmetered Service</b>										
Flat rate	\$96.68	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93	\$162.75	\$162.75	\$162.75	\$162.75
based on avg. usage (gal./qtr.	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750

\* Rate Increase effective September 15, 2009

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

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

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

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

Source: Village of Germantown Utility Records



**Village of Germantown, Wisconsin**  
**Ratio of Outstanding Debt**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31,	Governmental Activities				Business-type Activities				Total Primary Government	Debt per Capita	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other Obligations	Capital Leases	Water Utility Revenue Bonds	Water & Sewer Utility Notes				
2008	12,540,000	8,960,000	14,186,661	46,367		1,045,000	-	36,778,028	1,872	19,650	
2009	9,540,000	7,880,000	13,990,738	1,695,172		1,048,574	-	34,154,484	1,738	19,650	
2010	5,135,000	8,525,000	15,917,927	1,467,834		1,666,067	-	32,711,828	1,656	19,749	
2011	4,345,000	9,435,000	14,278,605	1,261,533		1,649,069	-	30,969,207	1,566	19,772	
2012	735,000	10,410,000	16,170,407	251,642		1,566,328	-	29,133,377	1,471	19,803	
2013	410,000	10,845,000	14,272,770	127,985	129,579	1,482,713	-	27,138,468	1,370	19,811	
2014	5,790,000	11,760,000	12,146,752	-	97,887	1,393,201	-	31,219,532	1,570	19,891	
2015	5,765,000	11,540,000	10,528,381	-	65,933	1,302,768	-	29,234,036	1,464	19,972	
2016	5,740,000	14,250,000	5,695,028	-	31,919	1,211,390	-	26,962,351	1,348	20,008	
2017	5,405,000	14,745,000	3,930,000	-		1,114,042	-	25,225,961	1,264	19,965	

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

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

Table 15  
**Village of Germantown, Wisconsin**  
*Rate of General Bonded Debt Outstanding*  
*Last Ten Fiscal Years*

Fiscal Year Ended December 31,	General Bonded Debt Outstanding				Less: Amounts Reserved for Debt Service	Total	Percentage of Long-Term Debt to Total Equalized Value	Equalized Valuation	Net Long-Term Debt per Capita	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other						
2008	12,540,000	9,980,000	14,786,661	(40,370)	35,866,661	1.47%	2,424,848,300	1,816	19,650	
2009	12,460,000	5,135,000	15,817,422	(233,940)	28,168,482	1.23%	2,350,376,900	1,496	19,240	
2010	5,135,000	6,526,000	15,817,422	(333,940)	20,343,482	1.23%	2,350,376,900	1,496	19,240	
2011	4,345,000	9,435,000	14,278,605	(355,159)	27,703,446	1.18%	2,350,376,900	1,401	19,772	
2012	736,000	10,410,000	16,170,407	(287,051)	27,028,356	1.20%	2,248,658,300	1,365	19,803	
2013	410,000	10,845,000	14,272,770	(2,897,292)	22,850,478	1.04%	2,202,155,500	1,152	19,811	
2014	5,135,000	11,460,000	14,272,770	(1,788,454)	27,079,316	1.12%	2,202,155,500	1,355	19,872	
2015	5,740,000	11,540,000	10,828,382	(1,788,454)	27,063,922	1.12%	2,463,819,400	1,355	19,872	
2016	5,740,000	14,250,000	5,695,028	(183,059)	25,991,959	1.02%	2,501,879,800	1,279	20,008	
2017	5,405,000	14,745,000	3,850,000	(138,303)	23,941,697	0.83%	2,577,479,900	1,199	19,965	

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

Table 16  
**Village of Germantown, Wisconsin**  
*Direct and Overlapping Governmental Activities Debt*  
*As of December 31, 2017*

Governmental Unit	2017 Equalized Value	Total G.O. Debt Outstanding	Village EV Percentage of District	Village Proportionate Share
Milwaukee Area Technical College	76,548,230,996	106,955,000	3.9671% <sup>1</sup>	3,601,282
Germantown School District	3,465,243,706	96,795,783	74.8962%	72,204,926
Washington County	14,614,546,100	9,350,000	17.6366%	1,642,022
<b>Subtotal, overlapping debt</b>	<b>94,617,822,802</b>	<b>213,100,783</b>	<b>3.011%<sup>2</sup></b>	<b>77,456,280</b>
<b>Village Direct Debt</b>	<b>2,577,479,900</b>	<b>24,111,919</b>	<b>100.000%<sup>3</sup></b>	<b>24,111,919</b>
<b>Village Debt to Equalized Value</b>		<b>237,212,702</b>	<b>0.94%<sup>3</sup></b>	
<b>Total Direct and overlapping debt</b>				<b>101,568,199</b>
<b>Debt Per Capita Village General Obligation Debt</b>				<b>1,207.71<sup>4</sup></b>
<b>Debt Per Capita Village Share of Overlapping Debt</b>				<b>3,879.60</b>
				<b>5,087.31</b>

Source: Financial Officers of the overlapping School Districts and Counties, Official Statement dated May 11, 2017  
<sup>1</sup> Percentage of village equalized value to district equalized value.  
<sup>2</sup> Percentage of village overlapping debt outstanding to village equalized value.  
<sup>3</sup> Percentage of village outstanding debt to village equalized.  
<sup>4</sup> Population 2017 estimate 19,965, debt per capita.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Legal Debt Maturity calculations for Fiscal Year 2017									
2017 Equalized Valuation									\$2,577,478,900
Debt Limit (5% of current equalized value)									\$128,873,950
Legal Debt Maturity									\$51,650,000
Legal Debt Maturity									\$70,720,000
Special Debt Limit	\$121,242,415	\$122,256,610	\$118,918,370	\$117,518,845	\$112,432,865	\$114,167,665	\$120,266,670	\$125,093,990	\$128,873,950
Total Net Debt Application Limit	\$35,661,367	\$33,040,172	\$31,072,834	\$29,211,633	\$25,607,985	\$29,245,000	\$27,365,000	\$25,130,000	\$24,080,000
Unused Debt Limit	\$65,581,048	\$89,216,238	\$87,965,536	\$88,307,212	\$84,921,333	\$84,922,665	\$92,940,670	\$99,963,990	\$104,793,950
Total Net Debt Application as a percentage of debt limit	29.41%	27.03%	26.08%	24.86%	24.47%	25.62%	22.74%	20.09%	18.68%

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

Fiscal Year Ended December 31,	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Interest		Accrued Value	Coverage Expected	Actual Debt Coverage
				Principal	Total			
2008	2,118,557	1,466,180	652,377	45,000	88,415	\$ 110,519	1.25	7.38
2009	2,076,944	1,067,973	1,010,971	45,000	41,988	\$ 108,748	1.25	11.62
2010	2,043,893	1,080,606	963,287	45,000	49,657	\$ 118,321	1.25	10.18
2011	2,144,659	1,057,890	1,086,779	79,224	57,520	\$ 170,929	1.25	7.95
2012	2,260,951	1,172,581	1,088,370	82,741	56,663	\$ 174,243	1.25	7.81
2013	2,376,842	1,293,215	1,083,627	89,515	55,492	\$ 172,748	1.25	8.15
2014	2,160,576	1,208,236	1,237,653	89,515	51,259	\$ 175,964	1.25	9.00
2015	2,652,039	1,138,846	1,513,193	90,433	48,263	\$ 173,369	1.25	10.91
2016	2,421,804	1,162,583	1,259,221	91,378	45,187	\$ 170,706	1.25	9.22
2017	2,502,002	1,177,808	1,324,194	97,348	42,004	\$ 174,191	1.25	9.50

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

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

Table 19

Year	Estimated Population	Personal Income (thousands or dollars)	Per Capita Personal Income (thous)	Median Age	School Enrollment	Washington County Unemployment Rate
2008	19,650	\$681,757	\$34,695	39.5	3,960	4.30%
2009	19,650	\$681,757	\$34,695	39.5	4,000	8.60%
2010	19,749	\$685,192	\$34,696	41.7	3,961	8.20%
2011	19,772	\$686,049	\$34,696	41.7	4,052	6.10%
2012	19,803	\$708,571	\$35,781	40.2	3,999	6.40%
2013	19,811	\$707,055	\$35,690	41.4	3,987	5.10%
2014	19,891	\$709,512	\$35,670	41.9	3,909	4.30%
2015	19,972	\$725,063	\$36,304	42.0	3,913	3.40%
2016	20,008	\$733,653	\$36,668	42.2	3,895	3.10%
2017	19,965	\$753,020	\$37,717	42.6	3,915	2.20%

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

US Bureau of Economic Analysis  
Wisconsin Department of Workforce Development, Office of Economic Advisors, per capita income  
School Enrollment - WI Dept of Public Instruction, Head Count & Membership  
<https://apps4.dpi.wisconsin.gov/sisaw/membership/FTEReport.aspx>  
Unemployment - Wisconsin Department of Workforce Development, Division of Workforce Excellence (Washington County), Rates not compiled for individual communities with populations under 25,000, AVG Washington County  
[www.factfinder2.census.gov](http://www.factfinder2.census.gov)  
2000 & 2010 Census of Population and Housing, and 2016 American Community Survey (based on a 5-year estimate,  
U.S. Census Bureau

**Village of Germantown, Wisconsin  
Principal Employers  
Current Year and Nine Years Ago**

Table 20

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

Source:

- 1 Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated May 1, 1999, Village of Germantown, Wisconsin, Committee on Finance, 2008.
- 2 Taken from Official Statement for General Obligation Notes, Dated May 21, 2018, Village of Germantown, Wisconsin, Committee on Finance, 2018.
- 3 This does not purport to be a comprehensive list, and is based on available data obtained through a survey of individual employees, as well as identified sources. Some employers do not respond to inquiries.
- 4 Population - Wisconsin Department of Administration, Demographic Services Center, 2008 estimation (20,001), 2017 Estimation (19,965), and 2010 U.S. Census 19,749

Table 21  
**Village of Germantown, Wisconsin**  
*Full-time Equivalent Village Government Employees by Function/Program*  
 Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	720	570	570	570	570	570	570	570	570	570
Public Safety	5935	5735	5735	5735	5735	5735	5735	5735	5735	5735
Public Works	1716	1716	1716	1716	1716	1716	1716	1716	1716	1716
Culture & Recreation	2412	2312	2312	2312	2312	2350	2350	2350	2375	2375
Conservation & Development	190	190	190	190	190	190	190	190	190	190
Water	810	830	830	830	830	830	830	830	830	830
Sewer	742	742	742	742	742	782	782	782	782	782
Total *	12525	12095	12095	12095	12095	12173	12173	12173	12198	12698
Total # of IWZs	423	400	397	402	399	426	434	467	467	422

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

Table 22  
**Village of Germantown, Wisconsin**  
*Operating Indicators by Function/Program*  
 Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police	31	31	31	31	31	31	31	31	31	31
Number of Sworn Officers	2539	2,453	2,623	2,682	3,207	3,150	2,539	2,888	2,538	2,201
Number of Citations										
Fire	4	4	4	4	4	4	4	4	4	4
Number of Employees - Full Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Part Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Paid on Call	35	35	35	35	35	35	35	35	35	35
Public Works										
Street Surfacing/Sealcoating (miles)	3.65	3.27	2.34	3.89	5.39	2.77	1.83	1.03	6.00	9.00
Asphalt Resurface/Repairs (miles)	0.25	0.00	0.25	0.45	0.95	0.10	0.75	0.42	3.86	2.49
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Acreage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library	139,314	146,685	159,589	176,121	174,269	175,186	154,977*	155,249	149,086	145,623
Volumes in Collection										
Video Collection - Digital										
Water and Sewer										
Number of Water Customers	5,469	5,479	5,510	5,238	5,265	5,311	5,359	5,440	5,460	5,484
Average Daily Water Consumption (gallons)	1,431,337	1,437,277	1,384,222	1,426,405	1,516,312	1,749,041	1,798,090	1,914,348	1,626,655	1,479,211
Number of Sewer Customers	5,727	5,744	5,770	5,497	5,511	5,552	5,603	5,682	5,696	5,705

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

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

Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
No. of All Building Permits	539	454	466	432	460	598	607	554	623	654
Including additions & remodeling	\$51,530,379	\$22,032,771	\$16,523,302	\$23,367,537	\$36,865,276	\$4,617,008	\$5,636,764	\$3,736,810	\$2,761,279	\$1,801,123
Valuation										
New Single Family Homes	27	15	18	25	24	54	60	40	38	53
No. of building permits	\$7,889,846	\$3,536,965	\$4,977,791	\$7,023,748	\$5,888,340	\$13,640,425	\$14,212,853	\$8,660,736	\$8,596,327	\$9,401,508
Valuation										
New Multiple Family Buildings	2	1	1	0	2	8	2	0	0	2
No. of building permits	4	2	2	0	4	18	4	0	0	127
No. of units	\$660,000	\$362,000	\$362,000	\$0	\$625,000	\$3,022,250	\$1,080,000	\$0	\$0	\$34,042,000
Valuation										
New Commercial/Industrial Buildings	13	2	20	2	7	1	4	6	2	0
No. of building permits	\$27,689,178	\$1,195,000	\$7,355,819	\$8,430,000	\$15,618,091	\$3,100,000	\$18,548,000	\$9,421,000	\$1,662,700	\$0
Valuation										

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety	1	1	1	1	1	1	1	1	1	1
Police Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of Road (miles)	129.96	129.96	129.96	129.30	129.58	129.58	129.58	129.69	130.07	130.70
Sidewalks (miles)	19.45	19.45	19.66	19.76	19.76	20.38	20.38	20.48	21.25	22.05
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Tennis Courts	13	13	13	13	13	13	13	13	13	13
Spraygrounds	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Water	89.20	89.55	89.29	89.29	89.52	89.074	89.569	89.600	91.773	89.446
Mains (miles)	1,125	1,130	1,133	1,142	1,201	1,301	1,308	1,308	1,327	1,335
Fire Hydrants										
Sewer	88.05	89.05	89.34	89.50	90.50	93.00	96.00	97.62	98.16	101.83
Sanitary Sewer (miles)										

Source: Village of Germantown Department Directors and capital asset inventory records  
 2012 Fire Hydrant count increase due to the reconciliation of hydrants reported to the GIS System

**FORM OF LEGAL OPINION**

*(See following pages.)*

ATTORNEYS AT LAW

Telephone (414) 375-2630  
Fax (414) 375-2631LEGAL OPINION

We have served as bond counsel with regard to:

\$6,725,000  
VILLAGE OF GERMANTOWN  
WASHINGTON COUNTY, WISCONSIN  
GENERAL OBLIGATION COMMUNITY DEVELOPMENT  
BONDS, SERIES 2019A  
DATED FEBRUARY 5, 2019

We hereby certify that we have examined a transcript of proceedings of the governing body of the Village of Germantown relative to the authorization, issuance and sale of the aforesaid Bonds. We have also examined the law and such other documents furnished to us as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the transcript of proceedings and other certifications furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered 1 and upward; are in the denomination of \$5,000 or any integral multiple thereof; bear interest at the rates set forth below; and mature serially on February 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2021	\$100,000	-.____%
2022	100,000	-.____
2023	100,000	-.____
2024	100,000	-.____
2025	125,000	-.____
2026	125,000	-.____
2027	150,000	-.____
2028	175,000	-.____
2029	250,000	-.____
2030	550,000	-.____
2031	600,000	-.____
2032	600,000	-.____
2033	600,000	-.____



Village of Germantown  
Legal Opinion

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2034	\$600,000	-.____%
2035	625,000	-.____
2036	625,000	-.____
2037	650,000	-.____
2038	650,000	-.____

Interest is payable semi-annually on February 1 and August 1 of each year commencing on August 1, 2019.

At the option of the Village, the Bonds maturing on February 1, 2029, and thereafter are subject to redemption prior to maturity on February 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based on our examinations, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Village.
2. All taxable property in the territory of the Village is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Village is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent the necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax and is includable in adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations for tax years beginning before January 1, 2018. The opinions set forth in the preceding sentence are subject to the condition that the Village comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Village has covenanted to

Village of Germantown  
Legal Opinion

comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that enforcement of the Bonds may also be subject to the exercise of judicial discretion in appropriate cases.

GRIGGS LAW OFFICE LLC

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

*(See following pages.)*

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Village of Germantown, Washington County, Wisconsin (the “Issuer”) in connection with the issuance of \$6,725,000 General Obligation Community Development Bonds, Series 2019A, dated February 5, 2019 (the “Securities”). The Securities are being issued pursuant to a Resolution, dated January 22, 2019 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Securities and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean the Municipal Securities Rulemaking Board electronically through the Electronic Municipal Market Access system, available at [www.emma.msrb.org](http://www.emma.msrb.org), or such other website as may be determined from time to time by the Securities and Exchange Commission.

“Obligated Person” shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Securities.

“Participating Underwriter” shall mean any of the original underwriters of the Securities required to comply with the Rule in connection with the offering of the Securities.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time including any official interpretations thereof.

### Section 3. Provision of Annual Reports.

(a) The Issuer shall, not later than October 1 of each year, commencing October 1, 2019, provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) Documents provided to the National Repository shall be accompanied by identifying information as prescribed by the National Repository.

(c) The Issuer shall determine each year prior to providing the Annual Report the electronic address of the National Repository.

(d) If the Issuer is unable or fails to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the National Repository in the format prescribed by the National Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) The Issuer's audited financial statements. The financial statements will be prepared in accordance with Generally Accepted Accounting Principles. If audited financial statements are not available by October 1, unaudited financial information will be provided, and audited financial statements will be submitted to the National Repository when and if available.

(b) Updates of the following sections of the final official statement:

- (1) The Issuer – Employees; Pensions
- (2) Tax Levies and Collections
- (3) Valuations – Current Property Valuations
- (4) Debt – Direct Debt
- (5) Debt – Debt Limit

Any or all of the items listed above may be incorporated by reference from documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. (Currently located at 1300 I Street NW, Suite 1000, Washington, DC 20005, (202) 838-1500.) The Issuer shall clearly identify each document so incorporated by reference.

Section 5. Reporting of "Listed" Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events to the extent applicable to the Securities:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities or other material events affecting the tax status of the Securities;
- (7) Modification to rights of holders of the Securities, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(For the purposes of the event identified in subsection (a) (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.)

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine under applicable legal standards if such event would constitute material information, within the meaning of the Rule, for holders or beneficial owners



of the Securities, provided, that any event under subsection (a) (1), (3), (4), (5), (8) (tender offers only), (9), (11) or (12) will always be deemed to be material.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the National Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders and beneficial owners from time to time of the Securities, and shall create no rights in any other person or entity.

Date: February \_\_\_\_, 2019

VILLAGE OF GERMANTOWN  
WASHINGTON COUNTY, WISCONSIN

By \_\_\_\_\_  
Deanna Braunschweig,  
Village Clerk

(SEAL)

**NOTICE OF SALE**

**\$6,725,000\* GENERAL OBLIGATION COMMUNITY DEVELOPMENT BONDS, SERIES 2019A  
VILLAGE OF GERMANTOWN, WISCONSIN**

Bids for the purchase of \$6,725,000\* General Obligation Community Development Bonds, Series 2019A (the "Bonds") of the Village of Germantown, Wisconsin (the "Village") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the Village, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M. Central Time, on January 22, 2019, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

**PURPOSE**

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, consisting of paying the costs of projects listed in the Project Plan for Tax Incremental District No. 8. The Bonds are valid and binding general obligations of the Village, and all the taxable property in the Village is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Bonds will be dated February 5, 2019, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$100,000	2027	\$150,000	2033	\$600,000
2022	100,000	2028	175,000	2034	600,000
2023	100,000	2029	250,000	2035	625,000
2024	100,000	2030	550,000	2036	625,000
2025	125,000	2031	600,000	2037	650,000
2026	125,000	2032	600,000	2038	650,000

**ADJUSTMENT OPTION**

\* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BOND OPTION**

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2019, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

## **PAYING AGENT**

The Village may designate a Village officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the Village, the Bonds maturing on or after February 1, 2029 shall be subject to optional redemption prior to maturity on February 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

## **DELIVERY**

On or about February 5, 2019, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

## LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Griggs Law Office LLC, Bond Counsel to the Village, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

## STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Preliminary Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

## SUBMISSION OF BIDS

Bids must not be for less than \$6,651,025 nor more than \$7,128,500 plus accrued interest on the principal sum of \$6,725,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 11:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$134,500 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the Village as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The Village and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

### **AWARD**

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

### **BOND INSURANCE**

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

### **CUSIP NUMBERS**

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

### **NON-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Village will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

### **NEW ISSUE PRICING**

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Village by the Village's municipal advisor identified herein and any notice or report to be provided to the Village may be provided to the Village's municipal advisor.

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The Village shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Village may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the Village shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the Underwriter. In such event, any bid submitted will not be subject to cancellation or withdrawal and the Village agrees to use the rule selected by the Underwriter on its bid form to determine the issue price for the Bonds. On its bid form, each Underwriter must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the Underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Village promptly after the close of the fifth (5<sup>th</sup>) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The Village acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Village further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the Underwriter selects the 10% test, the Underwriter agrees to promptly report to the Village, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Village or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:



- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the Village to the winning bidder.

#### **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Board of Trustees

Kim Rath, Finance Director/Treasurer  
Village of Germantown, Wisconsin



# BID FORM

The Board of Trustees  
Village of Germantown, Wisconsin

January 22, 2019

RE: \$6,725,000\* General Obligation Community Development Bonds, Series 2019A  
DATED: February 5, 2019

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$6,651,025 nor more than \$7,128,500) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2021	_____ % due	2027	_____ % due	2033
_____ % due	2022	_____ % due	2028	_____ % due	2034
_____ % due	2023	_____ % due	2029	_____ % due	2035
_____ % due	2024	_____ % due	2030	_____ % due	2036
_____ % due	2025	_____ % due	2031	_____ % due	2037
_____ % due	2026	_____ % due	2032	_____ % due	2038

\* The Village reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2020 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our Deposit in the amount of \$134,500, to be held by the Village pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our Deposit to KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers and Associates Good Faith Account No. 3208138. Such Deposit shall be received by Ehlers and Associates no later than two hours after the bid opening time. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about February 5, 2019.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: \_\_\_\_ NO: \_\_\_\_.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from February 5, 2019 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Germantown, Wisconsin, on January 22, 2019.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_