

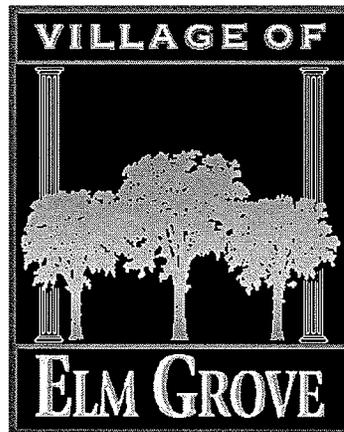
# **VILLAGE OF ELM GROVE**

Waukesha County, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2011



# VILLAGE OF ELM GROVE

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# VILLAGE OF ELM GROVE

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## **INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Elm Grove  
Elm Grove, Wisconsin

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Elm Grove, Wisconsin, as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Elm Grove, Wisconsin, as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, the Village of Elm Grove adopted the provisions of Government Accounting Standard Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules 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, economical, 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.

To the Village Board  
Village of Elm Grove

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Elm Grove's basic financial statements. The combining fund financial statements, budgetary comparison schedules and comparative schedule of taxes and valuation data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Baker Tilly Vivchow Branson, LLP*

Milwaukee, Wisconsin  
April 30, 2012

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

**Village of Elm Grove  
Management's Discussion and Analysis  
(Unaudited)  
As of and for the Year End December 31, 2011**

As management of the Village of Elm Grove, we offer readers of the Village of Elm Grove's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2011. A comparison with prior year data is also presented.

**Financial Highlights-**

- The assets of the Village of Elm Grove exceeded its liabilities as of December 31, 2011 by \$18.5 million.
- As of December 31, 2011 the Village's governmental funds reported combined ending fund balance of \$4,544,947.
- Included in the general operating fund balance is unassigned fund balance of \$1,315,420 which is equal to 23.9% of total general fund expenditures. These funds are available for future village needs including working capital.
- During 2011 the Village adopted a fund balance policy to maintain unassigned fund balance at 15-25% of general fund expenditures,
- Favorable results of operations allowed the general fund to transfer \$70,000 to the capital project fund and \$161,215 to the municipal water fund.
- Net assets increased by \$1,504,819 and total fund balance decreased by \$89,005 from the prior year. The 2010 fund balance included \$433,000 for the purchase of a new fire truck acquired in 2011. To take advantage of favorable pricing offered the Village chose to prepay for the truck in 2010.
- Capital assets net of depreciation increased by \$1.5 million due to a major road reconstruction funded substantially with available federal funding.
- Property value in Tax Increment District #2 provided a tax increment of \$437,809 as compared to \$477,472 in 2010. This is a slight decrease, but sufficient to meet its debt obligation and payback \$157,000 of previously advanced funds
- The village continues to see strong permit revenues indicating a willingness of property owners to invest in the challenging real estate environment.
- Due to the Village's limited dependence on state aids and conservative budgeting practices, changes at the state level, while challenging, have not had a devastating effect on the village.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., sick pay benefits and other long-term liabilities.)

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government, public safety, health and sanitation, highway and transportation, library and park and recreation. The Village does not operate any business-type activities.

### **Fund financial statements.**

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village currently has 11 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, Sewer Fund, Debt Service Fund, and Capital Project Fund which are considered to be major funds.

Data from the other seven funds are combined into a single, aggregate presentation under the heading "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" elsewhere in this report. The municipal water project fund will be closed as of December 31, 2011.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village’s operations.

**Financial Statement Changes**

During 2011, the Village implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. This accounting standard better identified the use of separate funds and provides for fund balance to be reported in five new categories. The new categories are intended to provide the financial statement reader with a better understanding of legal restrictions on funds, management decisions on funds, and available funds for future municipal use. The Village’s use of special revenue funds meets the definitions under GASB 54 and no changes to reporting needed to be made. The Village has consistently used a special revenue fund for the purpose identified and revenues generated by the fund or transferred to the fund are used for the fund purpose. In the previous year’s statement the Village reported its Library Gift Fund as a fiduciary fund, but it has been reclassified in the 2011 statements to a special revenue fund which more accurately identifies its purpose and restrictions.

**Government-wide Financial Analysis**

The Village’s total net assets, net of related debt, exceeded liabilities by \$18,546,384 at the close of 2011. The largest segment of net assets is the Village’s investment in capital assets. The Village reports land, land improvements, building, equipment and infrastructure.

**Village of Elm Grove's Net Assets**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Current & other assets	\$ 13,763,395	\$ 13,606,841
Capital Assets	27,364,144	25,857,863
Total assets	<u>41,127,539</u>	<u>39,464,704</u>
Long term liabilities outstanding	12,247,555	12,393,615
Other liabilities	10,333,600	10,074,704
Total liabilities	<u>22,581,155</u>	<u>22,468,319</u>
Net assets:		
Invested in capital assets net of related debt	17,074,144	15,262,863
Restricted	1,361,919	540,956
Unrestricted	110,321	1,192,566
Total net assets	<u>\$ 18,546,384</u>	<u>\$ 16,996,385</u>

Net assets increased by \$1,504,819 in 2011. In a year of unstable economic conditions and low investment returns the Village maintained its strong financial position and provided its residents and businesses with the same high level of service. The net asset increase is mainly attributed to the increase in capital assets. The Village undertook the reconstruction of a major urban roadway in partnership with the State of Wisconsin Department of Transportation using available federal funding for \$1.6 million of the \$2.1 million project. The project was substantially completed in 2011 and included in infrastructure.

The Village's general obligation debt is \$11,930,000 as compared to \$12,710,000 in 2010, a reduction of \$780,000. No new debt was issued in 2011, though the village issued advanced refunding general obligation bonds in February of 2012 which will provide significant interest savings and flexibility over the current outstanding debt. The advance refunding is for stormwater debt callable for the years 2015-2025 and is projected to have present value interest savings of \$1.083 million over the life of the new debt. This debt is funded through the Village's stormwater utility fee and the TID #2 annual increments.

Long term debt also includes a liability for health insurance for a police officer injured on duty and retired under the State of Wisconsin duty disability plan. The Village has a contractual obligation to provide him and his family with health and dental insurance coverage until he reaches Medicare eligibility at the same cost as current employees. A long term liability of \$795,000 is included in the government-wide statements. The expense of this obligation will be recognized annually in the operating expense of the fund statements.

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
<u>Program revenues</u>		
Charges for services	\$ 2,374,769	\$ 2,316,341
Operating grants and contributions	722,881	703,360
Capital grants and contributions	1,650,982	3,880
<u>General revenues</u>		
Taxes	6,452,095	6,332,362
Taxes generated from TID increment	437,809	477,472
Intergovernmental revenue not restricted to specific programs	228,595	212,968
Investment income	37,882	63,286
Other	292,375	248,925
Total revenue before extraordinary items	<u>12,197,388</u>	<u>10,358,594</u>
Settlement of lawsuit	-	142,958
Total revenues	<u>12,197,388</u>	<u>10,501,552</u>
<b>Expenses</b>		
General Government	1,283,229	1,255,384
Public Safety	4,052,000	3,317,707
Highway and Transportation	1,299,338	1,021,752
Health and Sanitation	2,876,611	2,995,497
Library	423,337	418,248
Parks and recreation	316,343	342,267
Interest and fiscal charges	441,711	562,945
Total Expenses	<u>10,692,569</u>	<u>9,913,800</u>
Increase in net assets	1,504,819	587,752
Net assets beginning	17,041,565	16,453,813
Net assets ending	<u>\$ 18,546,384</u>	<u>\$ 17,041,565</u>

*Note: 2010 has been restated to reflect inclusion of the Library Gift Fund as a special revenue fund.*

## **Government Activities**

Governmental activities increased the Village's net assets by \$1,504,819. Taxes increased by \$119,733 after a decrease the previous year. The increase was 1.89% with the state levy limit of a 3% increase. Since 2007 the tax levy has increased by 2.17% or \$137,000. The Village has controlled the levy through careful management and a willingness to evaluate services, personnel and procedures while maintaining its high standard of living. Taxes accounted for 61.03% of the Village's total revenue net of the special item, federal roadway funds. Charges for services increased \$58,428 in 2011. The Village continually evaluates the fees charged for specific services and programs and to set fees at a level that will recoup the costs of services. The increase is due to increases in the stormwater utility fees and sewer fees net of decreases in recreation fees and fines. Stormwater fees were increased to payback funds advanced for litigation of a contract dispute on its major stormwater management project. The Village was successful in the lawsuit but was not awarded reimbursement for legal fees. The village continues to pursue this through the court of appeals. If successful this fee will be evaluated and could be adjusted accordingly. Recreation fees decreased due mainly to completion of a new aquatic center in neighboring municipality. The village reduced expenditures to offset the loss of revenue and is evaluating its programming for the upcoming years. The Village again saw higher than budgeted permit fees, a positive sign in the current building climate, as owners continue to invest in their properties. The Village contracts for inspection services and does not have large fixed personnel and assets costs allowing flexibility in times of market change.

Operating grants increased by \$19,521 due to road improvement funding received and public safety funding received for partnering in special enforcement programs. Capital grants in 2011 included grant funding of \$22,000 received from the State of Wisconsin for stormwater planning.

Investment income for 2011 was again down due to the decline in investment earnings in the current economy. The Village has been challenged to maximize this source of revenue in a declining market. The Village invests in certificates of deposit at various term lengths at a number of local banks. This has allowed the Village to diversify its available funds which had been concentrated in the State of Wisconsin Local Government Investment Pool.

The Village continues to control expenses and looks for operating efficiencies in an environment of increasing general costs and rising health insurance costs. The Village continues to use a Health Reimbursement Account Plan (HRA) with a high deductible health plan in an effort to control health costs.

## **Financial Analysis of Government Funds**

### **Government Funds**

As of December 31, 2011, the Village of Elm Grove's governmental funds reported combined ending fund balances of \$4.5 million, a decrease of \$89,000 from 2010. The general fund balance decreased by \$32,039 from 2010 after interfund transfers. Due to favorable operating results the general fund was able to transfer funds of \$70,000 to the capital project fund and \$161,215 to the municipal water project fund. This was a management decision to use available funds and reduce the general fund unassigned fund balance marginally. The general fund ended 2011 with an unassigned fund balance of \$1.3 million which is available for future uses at the Village's discretion and within the village's desired level under its fund balance policy of 15%-25% of general fund expenditures.

The capital project fund balance decreased by \$485,862. The Village operates a capital fund which utilizes internal funding for capital needs as much as possible. The Village identifies capital equipment and improvement needs over the upcoming 5 year period and funds the projects at 20% per year. The Village had the scheduled replacement of a fire truck planned for 2011 but due to advantageous pricing offered in 2010 chose to prepay for a new truck in 2010 at a cost of \$433,000. This was recorded as a prepaid asset and reserved funds in 2010. The truck was received and put into operation in 2011.

In 2005 the Village began looking into a limited municipal water system to supply water to the downtown area and specific adjoining residential areas. Costs of engineering and design of the project were segregated into a Municipal Water Capital Project fund anticipating recovery of the costs through the users of the system. The Village entered the project under the parameter that it would only be built if there was enough voluntary commitment by those serviced to proceed with construction. During 2010 it was determined that the project did not have enough support to be economically feasible and it would not proceed. The municipal water fund has had a deficit fund balance as costs incurred were funded by an advance from the general fund. Due to favorable operations the general fund transferred funds to the water project fund to eliminate the deficit balance and this fund will be closed as of December 31, 2011.

The Village has a tax increment district that's main purpose was to support the stormwater management improvements done within the district. In early years the village chose to advance funds from the general fund rather than issue a larger amount of general obligation debt. The tax increment is supported the annual debt payment and provided an additional \$157,197 to reduce the advancement and deficit fund balance in 2011.

#### **General Fund budgetary highlights**

The year end results of operations compared to the 2011 budget for the Village of Elm Grove were positive. General Fund revenues exceeded budget by approximately \$48,000. The Village saw additional grant funding for public safety special enforcements, the second year of higher than budgeted permit revenue, additional cell tower lease payments as tenants upgrade equipment and move into option periods of their leases. Positive expenditure results in the general fund allowed for the transfer of \$70,000 to the capital fund mainly attributed to savings in the public works paving program. The Village received favorable pricing from its contractor due to the ability to coordinate our scheduled paving with a larger state highway project on the Village boundary. Unused contingency and savings in legal costs also allowed for a transfer to the municipal water fund to write-off previously advanced funds.

The general fund expenditures were \$101,275 under budget after these transfers. Wages and fringe benefits were controlled by monitoring of overtime and positive results of the continued use of a Health Reimbursement Account in conjunction with the high-deductible health plan, employee turnover-eligibility of benefits, and the mix of health coverage an employee elects, single or family. The Village has contracts with three labor groups which are in effect through December 31, 2012. Under these contracts employees received no wage increases in 2010. The contracts provided for increases of 2% effective January 1 and an additional 1% effective July 1 for both 2011 and 2012. The Village Board approved similar increases for non-represented employees. The 2011 increases are reflected in these statements. Other departmental savings result from management and staff closely monitoring expenditures.

The Village participates in the State of Wisconsin Retirement plan for its eligible employees. Changes in state law effective in the latter half of 2011, required all employees other than current public-safety members to contribute 5.8% of the required contribution. Those employees under current contract are not responsible for this contribution until the expiration of the contract. Previously 100% of the costs had been paid by the Village on the employee's behalf. The 2011 statements reflect a savings of approximately \$18,000 for the employee's contribution. The employee payment was implemented in August 2011 and included only non-represented employees.

## Capital Assets and Debt Administration

### Capital Assets

The Village's investment in capital assets for its governmental activities as of December 31, 2011 amounts to \$27.4 million (net of accumulated depreciation) \$1.5 million above the 2010 value. The village capitalized an additional \$2,904,163 in assets and had depreciation expense of \$972,540. Major investment in the reconstruction of Watertown Plank Road, a major road into the Village and its downtown district, and the new fire truck accounted for this increase.

#### Village of Elm Grove's Capital Assets (net of depreciation)

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Land	\$ 7,791,413	\$ 7,791,413
Land Improvements	200,462	216,496
Buildings and improvements	2,939,254	3,063,567
Machinery and equipment	2,279,837	1,998,701
Construction in progress	79,186	187,902
Infrastructure	14,073,992	12,599,784
	<u>\$ 27,364,144</u>	<u>\$ 25,857,863</u>

### Long-term Debt

At the end of 2011, the Village of Elm Grove had total general obligation debt outstanding of \$11.9 million. The Village issued no additional debt in 2011 but did issue general obligation advance refunding bonds shortly after year end on February 14, 2012. Under state statutes the village has the authority to borrow 5% of its equalized value or \$52 million. Current outstanding debt represents 1.14% of the Village's equalized value of \$1.047 billion. The Village continues to have a strong credit rating of Aa2 reconfirmed through from Moody's on its recent general obligation refunding debt issued in 2012.

#### Village of Elm Grove's Outstanding Debt

	<u>2011</u>	<u>2010</u>
General Obligation Bonds		
Refunding Bonds	\$ 1,640,000	\$ 2,115,000
Stormwater Project Bonds	10,290,000	10,595,000
Total G.O. Debt	<u>\$ 11,930,000</u>	<u>\$ 12,710,000</u>

As was noted above, subsequent to year-end, the Village issued general obligation advance refunding bonds for stormwater debt issued in 2003 and 2005. These bonds are callable in March and December of 2013. Due to the favorable market rates for municipal debt this issuance will provide a present value savings of \$1.08 million. The stormwater debt has been paid through stormwater utility fees and the increment generated through the Village's tax increment district. This savings will provide more flexibility in the future as the Village has seen a slower than planned property value increase in the district. 2011 and 2012 debt obligations will be funded through sewer fees, stormwater fees and payment by the TID; no taxes are levied for either year's debt.

Long term debt in the government wide statement includes an accrual for of \$9,500 for special termination agreements for two employees whose position were restructured and an accrual of \$142,000 for future health benefits for a police officer injured in the line of duty. The village had a contractual agreement to pay this officer's benefits through 2007 but through a court decision in 2009 the Village will be obligated to provide coverage until the former employee reaches Medicare eligibility which is expected to be in 2018. During 2011 a police officer injured on duty retired under the State of Wisconsin duty disability program. The Village has a contractual obligation to provide him and his family health insurance until he reaches Medicare age. The present value of this liability is \$800,000 and is reflected in the government wide statements. The annual costs will be recorded in the operating expenditures of the fund statements.

The Village has reviewed its liability under GASB 45 for post retirement benefits other than pension and found the liability to be immaterial. The Village's only liability would be from an implicit rate subsidy until an employee reaches Medicare age. The Village allows employees who retire under the Wisconsin Retirement Program to remain on its group insurance plan but at their own cost. Past history indicates that this benefit is not used due to the high cost to a retiree. This benefit will be reviewed each year and recorded if a material change is identified.

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

The Village of Elm Grove is a small community, 3.4 square miles with a population of 5,900 people just west of the City of Milwaukee allowing residents access to big city opportunities and a small town environment. The Village provides residents and businesses with 24 hour public safety services through a full-time police force of 17 officers and paid on call fire and paramedic level emergency medical departments. The Village also has a well maintained road system, sanitary sewer system, a library, park facilities and recreation activities.

Elm Grove is a fully-developed community with equalized valuation of over \$1.047 billion. Residential properties comprise 89.66% of real property values. The average equalized value of a single family residence in Elm Grove is \$422,500, substantially higher than state and surrounding municipality averages. The Village continues to see relatively stable housing values during these uncertain economic times. Investment in residential properties continues through remodeling or in the last few years, homes torn down and new homes built.

The Village's 2012 operating and capital budget continues to provide for the same level of services and provide funding of these operations with a stable tax levy. The 2012 budget included a tax levy increase of .64% or \$41,300 within the limits set by the State of Wisconsin. The Village's 2012 budget has again qualified the Village to receive payment under the State's Expenditure Restraint Program. The Village will see a reduction in state aids in 2012, mainly a loss of \$50,000 in state transportation aids. The Village will not see the same large reductions as many Wisconsin municipalities mainly because it has

not been eligible or dependent on these aid programs in the past. The budget includes the negotiated wage increases mentioned above, a full year of savings for employee contributions to the Wisconsin Retirement System from required employees, health insurance premium sharing with employees paying 12.5% of premium cost, capital expenditures of almost \$700,000 as the Village continues to invest in its infrastructure and equipment, \$400,000 of expenditures for its own local library and \$293,000 for paramedic level paid on call emergency medical service.

Subsequent to the approval of the 2012 budget the Village changed its health insurance coverage to a new carrier and plan modifications resulting in an estimated savings of \$120,000 to \$180,000 over costs included within the budget. This will provide savings and flexibility in 2012 and future years.

The Village has been involved in a contract dispute with a major contractor relating to its stormwater project regarding an alleged change in condition. This dispute was litigated in court in April 2010 and a jury ruled in the Village's favor. The Village was awarded \$560,633 which resulted in a net payment of \$142,958 after deduction for amount Village owed the contractor for final work not invoiced and retainage. Payment was received in December 2010 and recorded as an other financing source. The Village has filed an appeal for reimbursement of legal fees incurred as awarded by court but not granted in judgment. Currently funds advanced from the general fund to litigate this suit are \$826,000. The Village increased its stormwater utility fee beginning in 2011 and these funds are being used to pay back the advancement. If the Village is successful in its appeal it will re-evaluate the utility fee at that time. The contractor has also filed an appeal.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Elm Grove's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Elm Grove, 13600 Juneau Boulevard Elm Grove, WI 53122.

**BASIC FINANCIAL STATEMENTS**

## Village of Elm Grove

### Statement of Net Assets As of December 31, 2011

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 9,575,647
Receivables (net)	
Taxes	3,951,991
Accounts	189,769
Allowance for doubtful accounts	(38,108)
Interest	2,536
Prepays	53,131
Unamortized Debt Issuance Costs	28,429
Capital Assets	
Land	7,791,413
Construction in progress	79,186
Other capital assets, net of depreciation	19,493,545
Total Assets	<u>41,127,539</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	952,120
Unearned revenue	8,331,590
Current portion of long-term obligations	1,049,890
Noncurrent portion of long-term obligations	12,247,555
Total Liabilities	<u>22,581,155</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	17,074,144
Restricted for debt service	1,223,825
Restricted for donor specified purpose	78,682
Restricted for Federal Asset Program	1,529
Restricted for library	17,515
Restricted for State Act 102 funding	40,368
Unrestricted	110,321
<b>Total Net Assets</b>	<u>\$ 18,546,384</u>

See accompanying notes to the financial statements.

Village of Elm Grove

Statement of Activities  
For the Year Ended December 31, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants & contributions		Capital Grants & Contributions
Governmental Activities					
General government	\$ 1,283,229	18,434	-	-	(1,264,795)
Public safety	4,052,000	423,271	45,588	4,000	(3,579,141)
Health and sanitation	2,876,611	1,700,490	45,127	22,620	(1,108,374)
Highway and transportation	1,299,338	19,750	598,037	1,624,362	942,811
Library	423,337	15,000	34,129	-	(374,208)
Park and recreation	316,343	197,824	-	-	(118,519)
Interest and fiscal charges	441,711	-	-	-	(441,711)
	<u>\$ 10,692,569</u>	<u>2,374,769</u>	<u>722,881</u>	<u>1,650,982</u>	<u>(5,943,937)</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes					6,452,095
Property taxes, other (TID #2)					437,809
Intergovernmental revenues not restricted to specific purpose					228,595
Investment income					37,882
Other					292,375
Total general revenues					<u>7,448,756</u>
Change in Net Assets					1,504,819
Net Assets at Beginning of the Year (restated)					<u>17,041,565</u>
Net Assets at Year End					<u>\$ 18,546,384</u>

See accompanying notes to financial statements.

Village of Elm Grove

Governmental Funds  
Balance Sheet  
December 31, 2011

	General Fund	Sewer Fund	Debt Fund	Capital Project Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 4,080,379	2,312,068	269,077	1,841,683	1,072,440	9,575,647
Receivables						
Taxes	2,004,770	1,053,708	-	232,719	658,182	3,949,379
Delinquent Personal Property Tax	2,612	-	-	-	-	2,612
Accounts	19,498	37,934	-	7,800	101,949	167,181
From State	22,588					22,588
Allowance for Doubtful Accounts	-	-	-	-	(38,108)	(38,108)
Interest	2,536	-	-	-	-	2,536
Advance to other Funds	826,872	-	595,056	-	-	1,421,928
Prepays	53,131	-	-	-	-	53,131
<b>Total Assets</b>	<b>\$ 7,012,386</b>	<b>3,403,710</b>	<b>864,133</b>	<b>2,082,202</b>	<b>1,794,463</b>	<b>15,156,894</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 116,524	109,520	-	270,803	10,364	507,211
Accrued liabilities	238,439	-	-	-	53,864	292,303
Developer deposits	45,243	-	-	-	-	45,243
Advance from other funds	-	-	-	-	1,421,928	1,421,928
Deferred revenue	4,221,487	2,272,314	-	459,195	1,392,266	8,345,262
<b>Total Liabilities</b>	<b>4,621,693</b>	<b>2,381,834</b>	<b>-</b>	<b>729,998</b>	<b>2,878,422</b>	<b>10,611,947</b>
Fund balances						
Unspendable	882,615		595,056			1,477,671
Restricted	26,159	467,055	269,077		75,773	838,064
Committed	-	554,821		1,352,204	262,196	2,169,221
Assigned	166,499					166,499
Unassigned	1,315,420	-	-	-	(1,421,928)	(106,508)
<b>Total Fund Balance (Deficit)</b>	<b>2,390,693</b>	<b>1,021,876</b>	<b>864,133</b>	<b>1,352,204</b>	<b>(1,083,959)</b>	<b>4,544,947</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 7,012,386</b>	<b>3,403,710</b>	<b>864,133</b>	<b>2,082,202</b>	<b>1,794,463</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and therefore the funds are not reported in the funds	27,364,144
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	28,429
Other long-term assets are not available to pay for current period expenditures and are deferred	
Some liabilities, including long-term debt, are not due and payable in the current period and therefore and therefore are not reported in the funds	(13,391,136)
<b>Net Assets of Governmental Funds</b>	<b>\$ 18,546,384</b>

See accompanying notes to financial statements.

Village of Elm Grove

Governmental Funds

Statement of Revenue, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2011

	General Fund	Sewer Fund	Debt Service Fund	5 Year Capital Projects Fund	Other Governmental Funds	Totals
<b>Revenues</b>						
Taxes	\$ 3,583,530	1,608,900	-	487,500	1,209,974	6,889,904
Intergovernmental revenues	848,571	-	-	54,000	75,527	978,098
Licenses and permits	184,210	-	-	-	-	184,210
Fines, forfeitures and penalties	190,205	-	-	-	-	190,205
Public charges for services	671,557	796,000	-	-	591,185	2,058,742
Commercial revenues	219,438	6,679	2,213	14,333	35,149	277,812
Total Revenues	<u>5,697,511</u>	<u>2,411,579</u>	<u>2,213</u>	<u>555,833</u>	<u>1,911,835</u>	<u>10,578,971</u>
<b>Expenditures</b>						
Current						
General government	1,132,742	-	-	-	150	1,132,892
Public Safety	2,887,982	-	-	-	296,161	3,184,143
Health and sanitation	432,294	1,822,987	-	-	268,121	2,523,402
Highway and transportation	807,872	-	-	-	-	807,872
Library	-	-	-	-	414,743	414,743
Park and recreation	233,013	-	-	-	-	233,013
Capital outlay	4,433	38,235	-	1,152,923	2,274	1,197,865
Debt service						
Principal	-	-	780,000	-	-	780,000
Interest	-	-	433,310	-	1,966	435,276
Total Expenditures	<u>5,498,336</u>	<u>1,861,222</u>	<u>1,213,310</u>	<u>1,152,923</u>	<u>983,415</u>	<u>10,709,206</u>
Excess of revenues over (under) expenditures	<u>199,175</u>	<u>550,357</u>	<u>(1,211,097)</u>	<u>(597,090)</u>	<u>928,420</u>	<u>(130,235)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of village assets	-	-	-	41,228	-	41,228
Transfers in	-	-	1,213,311	70,000	221,892	1,505,203
Transfers out	(231,215)	(493,702)	-	-	(780,286)	(1,505,203)
Total Other Financing Sources (Uses)	<u>(231,215)</u>	<u>(493,702)</u>	<u>1,213,311</u>	<u>111,228</u>	<u>(558,394)</u>	<u>41,228</u>
Net change in fund balances	(32,040)	56,655	2,214	(485,862)	370,026	(89,007)
<b>FUND BALANCES (DEFICIT) -</b>						
Beginning of Year	<u>2,422,733</u>	<u>965,221</u>	<u>861,919</u>	<u>1,838,066</u>	<u>(1,453,985)</u>	<u>4,633,954</u>
<b>FUND BALANCES (DEFICIT) -</b>						
<b>END OF YEAR</b>	<u>\$ 2,390,693</u>	<u>1,021,876</u>	<u>864,133</u>	<u>1,352,204</u>	<u>(1,083,959)</u>	<u>4,544,947</u>

See accompanying notes to financial statements.

**Village of Elm Grove**

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, 2011

Net Change in Fund Balances-Total Governmental Funds \$ (89,007)

Amounts recorded for governmental activities in the statement of activities are different because:

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

Capital outlay reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	1,197,865
Capital assets reported as current expenditures but capitalized	82,876
Capital assets donated not recognized in fund financial statements	1,624,362
Some items reported as capital outlay were not capitalized	(187,231)
Depreciation is reported in the government-wide statements	(972,540)
Net book value of assets retired	(239,051)

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.

Interest receivable on investments	(7,444)
Public safety emergency medical service fees	1,497

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

Principal repaid	780,000
Unamortized debt issuance costs	(5,985)

Some expenses reported 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.

Interest accrued	(450)
Compensated absences	(15,687)
Benefit agreements	(664,386)

Change in Net Assets of Governmental Activities-Statement of Activities \$ 1,504,819

See accompanying notes to financial statements.

**VILLAGE OF ELM GROVE**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
As of December 31, 2011

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	<u>Agency Tax Collection Fund</u>
<b>ASSETS</b>	
Cash and temporary investments	\$ 6,839,309
Taxes receivable	<u>7,027,841</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,867,150</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 13,867,150</u>
Total Liabilities	<u>13,867,150</u>
<b>NET ASSETS</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

## VILLAGE OF ELM GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

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

In February 2009, the GASB issued statement No. 54- *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The Village implemented this standard effective January 1, 2011. See note IV.G.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Governmental-Wide Financial Statements***

The statement of net assets 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 Village of Elm Grove operated all funds as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Fund Financial Statements*** (continued)

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary 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:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all fund of that category or type, and
2. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
3. 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.

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.

Sewer Fund – Special Revenue Fund - accounts for the Village’s sanitary sewer activities. It is used to account for and report the proceeds of specific revenue source that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

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 debt.

5 Year Capital Project 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.

The Village reports the following non-major governmental funds:

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

- Library
- Emergency Medical Services (EMS)
- Stormwater Operations
- Tax Increment District #2
- Library Gift Fund

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Fund Financial Statements (continued)***

Capital Project Funds- 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.

Water (Municipal Water) - Final reporting year will be 2011  
Stormwater Project

In addition, the Village reports the following fund types:

Agency funds are 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

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

***Government-Wide Financial Statements***

The government-wide statement of net assets and assets 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 revenue. 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.

***Fund Financial Statements***

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***  
(continued)

***Fund Financial Statements*** (continued)

Property taxes are recorded in the year levied as receivables and deferred revenues. 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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred 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, ambulance fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the Village has a legal claim to the resources; the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Agency funds follow the accrual basis of accounting, and do not have a measurement focus. The Village utilizes an agency fund for tax collections for other entities.

***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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY***

***1. Deposits and Investments***

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

- a. Time deposits in any credit union, bank, savings bank, 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.
- 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 state statutes for allowable investments. The Village's investment policy does not address custodial credit risk, credit risk, interest rate risk or concentration of credit risk. All funds throughout the year and at year end were invested in locally approved banks, the LGIP, and agencies of the US government.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank 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, 2011, 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 IV.A. for further information.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)**

**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 deferred revenues and due to other taxing units on the accompanying balance sheet.

Property tax calendar - 2011 tax roll:

Lien date and levy date	December, 2011
Tax bills mailed	December, 2011
Payment in full, or	January 31, 2012
First installment due	January 31, 2012
Second installment due to County	July 31, 2012
Personal property taxes in full	January 31, 2012
Tax settlement:	
First settlement	January 17, 2012
Second settlement	February 15, 2012
Final settlement	August 20, 2012
Tax deed by County – 2010 delinquent real estate taxes	October, 2014

Sewer service charges and stormwater utility fees are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as deferred revenue. Sewer service charges and stormwater utility fees are billed to commercial customers at rates established by the Village Board on a quarterly basis on March 31, June 30, September 30 and December 31. All delinquent commercial accounts receivable balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

Garbage/rubbish removal charges are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as deferred revenue.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)***

***2. Receivables (continued)***

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 Assets.

***3. Inventories and Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

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

***4. Capital Assets***

***Government –Wide Statements***

In the government-wide financial statements, fixed assets are accounted for as capital assets. The government defines capital assets as assets with an initial cost of more than \$5,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	3-20 Years
Infrastructure	25-60 Years

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY*** (continued)

***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.

***5. Other Assets***

In governmental funds, debt issuance costs are recognized as expenditures in the current period.

For government-wide financial statements debt issue costs incurred in the governmental funds recognized as expense in the period incurred for debt issued prior to 2010. While this method of accounting is not in accordance with generally accepted accounting principles, the effect on the financial statements is not material. Debt issuance costs are amortized over the life of the debt for issuances beginning in 2010.

***6. 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.

***Sick Leave***

Sick leave is earned at the rate of 8 hours for each month of service up to a maximum of 1,440 hours for all eligible village employees. Employees having unused accumulated sick leave at retirement, resignation or termination are compensated at varying percentages of the accumulated total, to a maximum of 240 or 480 hours based on longevity, position and current wage rates. The current amount of accumulated sick pay earned at December 31, 2011 for all Village employees that would be due upon termination totals \$241,230.

***Vacation***

Vacation pay is earned by Village employees based upon longevity of employment and specific departmental benefit schedules. Employees having unused vacation at retirement, resignation or termination are compensated for the unused vacation pay at current wage rates. The amount of unused vacation pay earned at December 31, 2011 for all Village employees is \$175,950.

***Government-Wide Statements***

Compensated absences are accrued when incurred in the government-wide statements.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY* (continued)

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

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of notes and bonds payable, accrued compensated absences and benefit agreements payable. The Village offers limited post-retirement benefits to employees under various conditions. The amount of these benefits is considered immaterial and is not recorded in the financial statements.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt is reported as other financing sources and payments of principal and interest are reported as expenditures.

The Village does not have any conduit debt.

**8. Claims and Judgments**

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.

A claim by a contractor for additional payment due to alleged change of condition and a counter-claim by the Village for damages were adjudicated in 2010 with the Village being the prevailing party. The Village has appealed due to the court's failure to award legal fees and the contractor has counter appealed. The appeal on this contractual dispute is scheduled to be reviewed in 2012. Legal and administrative costs incurred in conjunction with this lawsuit were advanced from the general fund. The Village increased its stormwater utility fee to begin repayment of this advancement over an approximate 20 year period. If the village is successful in its appeal the utility fee will be evaluated and adjusted to meet the Village's current stormwater needs.

A claim has been filed against the Village for injuries received by an individual as the result of a train accident. This claim is being handled by the Village's insurance carrier and any judgment would be funded through the Village's insurance.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY** (continued)

**9. Equity Classifications**

**Government–Wide Statements**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When 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 equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54- *Fund Balance Reporting and Governmental Fund Type Definitions*, the Village classifies governmental fund balance as follows:

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)**

**9. Equity Classifications**

***Fund Statements (continued)***

- d. Assigned- Includes spendable fund balance amounts that are intended to be use for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following 1) the Village has adopted a financial policy authorizing the Village Manager and the Finance Director to assign amounts for specific purpose, 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither assigned nor committed. 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.

The Village has adopted a formal fund balance policy. 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 fund balance when expenditures are made. The fund balance policy also identifies a targeted unassigned general fund balance of 5-15% of general fund expenditures and total unrestricted fund balance of not more than 30%. The policy provides for steps that will be undertaken if the year end balances are not within the desired range, and identifies funds the Village will operate, and minimum review periods for the overall policy.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE II- RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL  
FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS**

Capital assets used in governmental funds are not financial resources and, therefore are not reported in the funds.

Capital assets, net of accumulated depreciation     \$   27,364,144

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the Statement of Net Assets.

Bonds and Notes Payable	\$	11,930,000
Compensated Absences		420,975
Benefit Agreements Payable		946,470
Accrued Interest		<u>107,363</u>
Combined Adjustment for Long-term Liabilities	\$	<u>13,404,808</u>

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**NOTE III - OTHER INFORMATION**

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**A. BUDGETARY INFORMATION**

The Village adopted annual individual fund budgets for all governmental funds except the library gift fund and the stormwater project capital fund. These budgets are adopted in accordance with State Statutes. The actual results of operations presented in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2011 budget. For purposes of preparing the Budgetary Comparison Schedules of Revenue, Expenditures and Changes in Fund Balance, the actual results of operations have been adjusted to a basis consistent with the Village's budgeted revenues and expenditures. The budgetary data reflects the approved budgets of the above funds including amendments adopted by the Village Board. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the total fund level for all funds.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE III – OTHER INFORMATION (CONTINUED)**

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**B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

	Budgeted	Actual	Excess
Fund	Expenditures	Expenditures	Over Budget
Emergency Medical Service Fund	\$ 292,815	\$ 295,882	\$ 3,067
Stormwater Operations Fund	676,344	682,439	6,095

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 reports.

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

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the Village's future tax levies. Generally the Village is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Village's equalized value due to new construction or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

**D. DEFICIT FUND BALANCES**

Special Revenue Fund – TID #2

- The Special Revenue Fund – TID #2 had a deficit balance of \$595,056 which has been financed with advances from the Debt Service Fund. The TID #2 intends to repay these advances along with interest in future years.

Capital Projects Fund – Stormwater Fund

- The Capital Project Fund – Stormwater Fund has a deficit balance of \$826,872 which has been temporarily financed by the General Fund. This advancement arose from litigation costs in conjunction with a contractor dispute. The Village received \$142,226 in December of 2010 as a net settlement. The Village continues to pursue additional funds for these costs through the appeal process. The stormwater utility fee was increased for 2011 and if no additional funds are to be granted in conjunction with this lawsuit the advancement will be paid back with the utility fee.

**VILLAGE OF ELM GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**A. DEPOSITS AND INVESTMENTS**

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Petty Cash	\$ 945	\$ -	N/A
Demand Deposits	12,019,223	12,128,406	Custodial Credit
Certificates of Deposit	2,619,594	2,619,594	Custodial Credit
LGIP	1,775,194	1,775,194	Credit & Interest Risk
Total Cash and Investments	<u>\$ 16,414,956</u>	<u>\$ 16,523,194</u>	

Reconciliation to financial statements

Per statement of net assets

Unrestricted cash and investments \$ 9,575,647

Per statement of net assets-Fiduciary Funds

Agency 6,839,309

Total Cash and Investments \$ 16,414,956

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), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction accounts.

As of December 31, 2011 the Village has \$12.270 million in a local bank that is also collateralized by \$13.408 of the bank’s pledged securities in its portfolio.

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

**VILLAGE OF ELM GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**A. DEPOSITS AND INVESTMENTS** (continued)

**1. 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, 2011, \$11,740,715 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	369,626
Uninsured and collateral held by the pledging financial institutions trust department or agent not in the Village's name		<u>11,371,089</u>
Total		<u><u>\$ 11,740,715</u></u>

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

The Village does not have any investments exposed to custodial credit risk.

**2. Credit and Interest Rate Risks**

Credit risk is the risk that an issuer or other counterparty to an investment will fulfill its obligation. The Village had investments in the external Wisconsin Local Government Investment Pool which is not rated.

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

As of December 31, 2011 the Village's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
External investment pools	<u>\$ 1,775,194</u>	97

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE IV – OTHER INFORMATION**

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**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year except for \$13,672 of ambulance receivables. Governmental funds report deferred 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 deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 8,331,590	\$ 8,331,590
Ambulance receivable	<u>13,672</u>	<u>-</u>	<u>13,672</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 13,672</u>	<u>\$ 8,331,590</u>	<u>\$ 8,345,262</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital Assets not being Depreciated:</u>				
Land and Improvements	\$ 7,791,413	\$ -	\$ -	\$ 7,791,413
Construction in Progress	187,902	77,575	(186,291)	79,186
Total Capital Assets not being Depreciated	<u>\$ 7,979,315</u>	<u>77,575</u>	<u>(186,291)</u>	<u>7,870,599</u>
<u>Other Capital Assets</u>				
Land Improvements	\$ 336,619	\$ -	\$ -	\$ 336,619
Buildings and Improvements	5,911,859	-	-	5,911,859
Machinery and Equipment	5,106,811	648,562	(325,013)	5,430,360
Infrastructure	20,643,478	2,178,026	(683,840)	22,137,664
Total Capital Assets being Depreciated	<u>\$ 31,998,767</u>	<u>\$ 2,826,588</u>	<u>\$ (1,008,853)</u>	<u>\$ 33,816,502</u>
Total Capital Assets	<u>\$ 39,978,082</u>	<u>\$ 2,904,163</u>	<u>\$ (1,195,144)</u>	<u>\$ 41,687,101</u>
<u>Less Accumulated Depreciation</u>				
Land Improvements	\$ (120,122)	\$ (16,034)	\$ -	\$ (136,156)
Buildings and Improvements	(2,848,292)	(124,313)	-	(2,972,605)
Machinery and Equipment	(3,108,111)	(356,244)	313,831	(3,150,524)
Infrastructure	(8,043,694)	(475,949)	455,971	(8,063,672)
Total Accumulated Depreciation	<u>\$ (14,120,219)</u>	<u>\$ (972,540)</u>	<u>\$ 769,802</u>	<u>\$ (14,322,957)</u>
Net Capital Assets	<u>\$ 25,857,863</u>	<u>\$ 1,931,623</u>	<u>\$ (425,342)</u>	<u>\$ 27,364,144</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 162,547
Public Safety	196,540
Health and Sanitation	191,995
Highway and Transportaiton	333,069
Library	10,811
Park and Recreation	77,578
Total Depreciation Expense	<u>\$ 972,540</u>

**VILLAGE OF ELM GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

***D. INTERFUND RECEIVABLES/PAYABLES, TRANSFERS, AND ADVANCES***

For the Statement of Net Assets, interfund balances which are owed within the governmental activities are netted and eliminated. The principal reason for interfund amounts relate to a time lag between the dates the transactions are recorded and the dates payments are made between funds.

***Transfers***

The following is a schedule of interfund transfers during the year ended December 31, 2011:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service Fund	Sewer Fund	\$ 493,702	Debt service
	Stormwater Fund	386,167	Debt service
	TID #2 Fund	333,442	Debt service
Municipal Water Fund	General Fund	161,214	Closing fund
Five Year Capital Project Fund	General Fund	70,000	Capital projects
Stormwater Project Fund	Stormwater Operations	<u>60,678</u>	Increased charge
		<u>\$ 1,505,203</u>	

The transfers above were authorized in the 2011 budget.

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.

***Advances***

The General Fund advanced funds to the Stormwater Project fund for expenditures in conjunction with the contractor lawsuit regarding an alleged change in condition. The advance at December 31, 2011 is \$826,872. The Village was awarded a settlement in this lawsuit but has filed an appeal for reimbursement of additional legal costs. The Village increased its stormwater utility fee for 2011 to begin repayment of this advance. During 2011 the project fund repaid \$15,472.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**D. INTERFUND RECEIVABLES/PAYABLES, TRANSFERS, AND ADVANCES (continued)**

**Advances (continued)**

During 2006-2010 the General Fund has advanced funds to the Municipal Water Fund. The Village explored the possibility of creating a limited municipal water system. Expenditures were segregated and would have been included in project costs. The Village has chosen not to move forward with this project at this time and funds were transferred from the general fund to eliminate the advance and close this fund effective December 31, 2011.

During 2006-2010 the Debt Service Fund has advanced funds to the TID #2 Special Revenue Fund for repayment of debt obligations associated with the TID stormwater project. The advance will be repaid with future tax increments. The tax district will repay these funds with interest at the Village's average rate earned on funds invested in the LGIP annually. For 2011 interest of \$716 was accrued at a rate of .15%. The total advanced as of December 31, 2011 was \$595,056.

**E. LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Debt	\$ 12,710,000	\$ -	\$ 780,000	\$ 11,930,000	\$ 790,000
Other Liabilities:					
Vested compensated absences	405,288	250,126	234,439	420,975	211,795
Benefit agreements payable	282,084	795,042	130,656	946,470	48,095
	<u>\$ 13,397,372</u>	<u>\$ 1,045,168</u>	<u>\$ 1,145,095</u>	<u>\$ 13,297,445</u>	<u>\$ 1,049,890</u>

**VILLAGE OF ELM GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**E. LONG-TERM OBLIGATIONS** (continued)

**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 in the Debt Service Fund.

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, 2011, was \$52 million. Total general obligation debt outstanding at year end was \$11.930 million.

Type	Date of Issue	Interest Rate	Principal Due	Interest Payable	Original Indebtedness	Balance 12/31/2011
General Obligation Refunding Bonds	2010	0.5-1.9%	10/1/11-16	4/1 & 10/1	\$2,115,000	\$1,640,000
Stormwater Improvement Bonds	2003	3.1-4.4%	12/1/06-23	6/1 & 12/1	4,350,000	3,315,000
Stormwater Improvement Bonds	2005	3.35-4.2%	3/1/08-25	3/1 & 9/1	7,235,000	6,975,000
						<u>\$ 11,930,000</u>

Debt service requirements to maturity on general obligation notes are as follows:

Year	Principal	Interest	Total	Balance Outstanding 12/31
2011				\$ 11,930,000
2012	\$ 790,000	423,563	1,213,563	11,140,000
2013	750,000	408,055	1,158,055	10,390,000
2014	780,000	388,983	1,168,983	9,610,000
2015	790,000	367,494	1,157,494	8,820,000
2016	870,000	343,178	1,213,178	7,950,000
2017-2021	4,055,000	1,271,844	5,326,844	3,895,000
2022-2025	3,895,000	331,567	4,226,567	-
	<u>\$ 11,930,000</u>	<u>\$ 3,534,684</u>	<u>\$ 15,464,684</u>	

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE IV – OTHER INFORMATION**

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**E. LONG-TERM OBLIGATIONS** (continued)

***Subsequent Event- Advance Refunding***

On February 14, 2012, the village issued \$9,450,000 in general obligation bonds with an average interest rate of 2.09% for the advance refunding of \$9,070,000 of outstanding bonds with an average interest rate of 3.98% issued in 2003 and 2005 for funding of the Village's stormwater project. The bonds are callable on March 1, 2013 and December 1, 2013. The net proceeds of \$9,547,263 (after payment of issuance costs and a reoffering premium of \$225,482) plus \$104,147 of cash on hand will be used to prepay the outstanding debt service requirements of the old bonds.

The cash flow requirements on the bonds prior to the refunding were \$13,764,159 from 2/14/12 through 3/1/25. The cash flow requirements on the stormwater bonds after the refunding are \$12,550,844 from 3/1/12 through 8/1/25. The refunding issuance resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,083,403.

***Other Liabilities***

Other liabilities reported as long-term debt include the following:

Vested compensated absences attributed to governmental activities for employee sick and vacation benefits that will be liquidated primarily by the General Fund.

Benefit agreements payable which represent the continuation of health insurance as termination benefits for certain employees that will be liquidated by both funds designated in the General Fund for long-term health benefits and future General Fund appropriations. During 2009 the Village offered two employees the continuation of health insurance until Medicare age in a special termination agreement during a restructuring of two positions. This liability will end in April of 2012. The resolution of a court settlement with a former employee injured while on duty as a public safety officer also determined that the village provides health insurance until the individual reaches Medicare eligibility. During 2011 a police officer injured in the line of duty retired under the State of Wisconsin disability program. The Village has a contractual obligation to provide the disabled officer and his family health insurance until he reaches Medicare age. The liability for these agreements is recorded in the government-wide statements.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE IV – OTHER INFORMATION**

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**F. LEASE DISCLOSURES**

The Village has a lease agreement with a company that has a cell tower on the village grounds. The company then leases space on the tower to multiple cellular phone companies and the village receives an identified percentage of each lease. There are seven providers on the tower, which is the current maximum the tower can support. The lease terms vary; however, all are long-term and have option periods extending the agreement until terminated by either party. The revenue on the leases is recorded in the general fund and supports general operations. Rent revenue in 2011 was \$135,163. Below are the estimated revenues for years 2012-2016.

<u>Year</u>		
2012	\$	120,633
2013		124,882
2014		129,333
2015		135,309
2015		<u>142,821</u>
	\$	<u>652,978</u>

**G. NET ASSETS/FUND BALANCES**

Net Assets reported on the Government Wide Statement of Net Assets at December 31, 2011 include the following:

Invested in capital assets, net of related debt	
Land	\$ 7,791,413
Construction in progress	79,186
Other capital assets, net of accumulated depreciation	19,493,545
Less: related long-term debt outstanding, less any unspent portion	<u>(10,290,000)</u>
Total Invested in Capital Assets	<u>17,074,144</u>
Restricted for debt service	1,223,825
Restricted for donor specified purpose	78,682
Restricted for Federal Asset Program	1,529
Restricted for library	17,515
Restricted for State Act 102 funding	40,368
Unrestricted	<u>110,321</u>
Total Governmental Activities Net Assets	<u>\$ 18,546,384</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**G. NET ASSETS/FUND BALANCES (continued)**

Governmental fund balances reported on the fund financial statements as of December 31, 2011 include the following:

<b>Nonspendable</b>	
<u>General Fund</u>	
Prepaid Items	\$ 53,131
Unpaid Prior Year Personal Property Taxes	2,612
Advancement to Stormwater Project Fund	826,872
	<u>\$ 882,615</u>
<b>Restricted</b>	
<u>General Fund</u>	
Donor Specified	\$ 24,630
Federal Asset Program	1,529
<u>Sewer Fund</u>	
Debt service	467,055
<u>Debt Service Fund</u>	
Debt service	864,133
<u>Library Fund</u>	
Library	17,515
<u>Emergency Medical Service Fund</u>	
State ACT 102 funding	40,368
<u>Library Gift Fund</u>	
Donor Specified	54,052
	<u>\$ 1,469,282</u>
<b>Committed</b>	
<u>Capital Projects Fund</u>	
Capital Projects	\$ 1,352,204
<u>Sewer Fund</u>	
Sewer Operations and Infrastructure	554,821
<u>Stormwater Fund</u>	
Stormwater Operations and Infrastructure	200,537
<u>Emergency Medical Service Fund</u>	
Emergency Medical Service	25,497
	<u>\$ 2,133,059</u>

**VILLAGE OF ELM GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

**NOTE IV – OTHER INFORMATION**

**G. NET ASSETS/FUND BALANCES (continued)**

**Assigned**

General Fund

Donor Specific Purpose	\$ 28,755
Funds for Fire Department Events	2,744
2012 Budget Appropriation	<u>135,000</u>
	<u>\$ 166,499</u>

**Unassigned**

General Fund	\$ 1,315,420
TID # 2 (deficit)	(595,056)
Stormwater Project Fund (deficit)	<u>(826,872)</u>
	<u>\$ (106,508)</u>

Total Government Fund Balance	<u>\$ 4,544,947</u>
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**H. RESTATEMENT OF FUND BALANCES**

Fund balance has been restated for a change in the Village’s fund classification, effective January 1, 2011. There was a fund previously reported as a fiduciary fund which has been reclassified and reported as a special revenue fund.

**Governmental Activities**

Net Assets - December 31, 2010 (as reported)	\$ 16,996,385
Add: Library Gift Trust Fund	<u>45,180</u>
Net Assets - December 31, 2010 (as restated)	<u>\$ 17,041,565</u>

**Nonmajor Governmental Funds**

Fund balance - December 31, 2010 (as reported)	\$ (1,499,165)
Add: Library Gift Trust Fund	<u>45,180</u>
Fund Balance - December 31, 2010 (as restated)	<u>\$ (1,453,985)</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2011

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**NOTE IV – OTHER INFORMATION**

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**A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible Village employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (1,200 hours for employees hired on or after July 1, 2011) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan through June 28, 2011. Beginning, June 29, 2011 and thereafter covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security). Employers generally make these contributions to the plan on behalf of employees through June 28, 2011. Thereafter, employees are required to fund their contribution subject to terms of employment contracts and which employee group they are a member of. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Village employees covered by the system for the year ended December 31, 2011 was \$2,774,819; the employer's total payroll was \$3,222,701. The total required contribution for the year ended December 31, 2011 was \$451,475, or 16.3% of covered payroll. Of this contribution, general employees, not covered under a collective bargaining agreement, paid \$18,706, the Village paid the remainder of \$432,769. The Village currently has contracts with its public works and dispatch employees that will expire on December 31, 2012 at which time these employees will begin to pay the employee required contribution. Total contributions for the years ended December 31, 2010 and 2009 were \$427,885 and \$407,444 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. 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 employee's three highest years earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998 or beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 are immediately vested.

## VILLAGE OF ELM GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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#### **NOTE V – OTHER INFORMATION**

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##### **A. EMPLOYEES' RETIREMENT SYSTEM (continued)**

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the Wisconsin Statutes. The System issues an annual financial report, which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

There is no pension related debt for the Village as of December 31, 2011.

##### **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 uses a high deductible plan for health insurance. The Village purchases commercial insurance for all other risks. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

##### ***Self Insurance***

The Village uses a high deductible plan for its health insurance and funds the deductibles, co-insurance and a portion of co-pays through a health reimbursement account. This method allows the Village to self-fund the first dollars of health care for each insured on an annual basis. For 2011 the liability was limited to \$9,500 for employees with single coverage and \$16,500 for family coverage. The health reimbursement account is structured that the Village only reimburses for cost incurred and the Village maintains the plan not the individual. The costs are budgeted and expensed annually. Claims must be submitted within 120 days of year end. For 2011 the Village had a potential liability of \$521,500 and incurred claims of \$81,300, within the budgeted expense of \$98,800. Historically the industry average has been less than 25% usage of total liability. The Village has used this type of plan since 2004 providing annual premium savings and total expenditures below the 25% industry average.

## VILLAGE OF ELM GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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#### NOTE V – OTHER INFORMATION

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##### **C. COMMITMENTS AND CONTINGENCIES**

From time to time the Village is party to various pending claims and legal proceedings. These legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any legal actions and claims or other proceedings known to exist at December 31, 2011, are not likely to have a material adverse impact on the Village's financial position.

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.

During 2010 a settlement was reached through litigation, with a contractor who had requested additional payment of approximately \$2.8 million in a contract dispute due to the change of condition. The project work for this contract was complete in 2007 and capitalized on the statement of net assets. Legal and administrative costs incurred through 2011 have been expensed. The court ruled the Village was the prevailing party. The final judgment awarded the Village included \$419,500 in liquidating damages, \$107,456 for engineering fees and compensation for tunnel work done incorrectly and interest. This was offset by \$417,675 the Village owed the contractor for funds held in retainage and final work not invoiced. The net proceeds of \$142,226 were recorded as 'Other Financing Source' in the 2010 fund statements. The Village is currently appealing the judgment in an effort to recover legal cost which were awarded but not granted. The contractor has cross-appealed. At December 31, 2011 the project fund shows an advancement of \$826,872 from the general fund for litigation costs. The stormwater utility fee was raised beginning in 2011 to begin payback of this advancement over a fifteen year period if the Village is not successful in the appeal.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. Application of these standards may restate portions of these financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
Property taxes	\$ 3,583,530	\$ 3,583,530	\$ 3,583,530	\$ -
	<u>3,583,530</u>	<u>3,583,530</u>	<u>3,583,530</u>	<u>-</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues	203,560	203,560	203,369	(191)
Fire insurance dues	28,500	28,500	29,247	747
State and federal aids				
Transportation aids	521,700	521,700	521,655	(45)
Exempt computer aid	7,000	7,000	11,138	4,138
Public safety grants	3,280	3,280	11,653	8,373
Miscellaneous state aid	25,580	25,580	26,382	802
Waukesha County Grants - Recycling	40,000	40,000	45,127	5,127
	<u>829,620</u>	<u>829,620</u>	<u>848,571</u>	<u>18,951</u>
<b>LICENSES AND PERMITS</b>				
Licenses	21,200	21,200	19,587	(1,613)
Cable TV franchise fees	55,000	55,000	59,885	4,885
Permits	73,550	73,550	104,738	31,188
	<u>149,750</u>	<u>149,750</u>	<u>184,210</u>	<u>34,460</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court fines	203,825	203,825	190,205	(13,620)
	<u>203,825</u>	<u>203,825</u>	<u>190,205</u>	<u>(13,620)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
General government	5,850	5,850	13,841	7,991
Protection of persons and property	4,500	4,500	6,603	2,103
Dog and cat license fees	5,250	5,250	4,592	(658)
Leisure activities				
Swim team	13,200	13,200	10,109	(3,091)
Swimming lessons	27,180	27,180	24,077	(3,103)
Swimming fees	61,740	61,740	42,849	(18,891)
Pool rental	5,000	5,000	4,995	(5)
Tennis team	9,550	9,550	6,009	(3,541)
Tennis lessons	13,740	13,740	7,362	(6,378)
Tennis fees	4,800	4,800	5,471	671

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PUBLIC CHARGES FOR SERVICES (continued)</b>				
Summer recreation and children's activities	\$ 20,015	\$ 20,015	\$ 15,814	\$ (4,201)
Baseball	9,000	9,000	8,543	(457)
Summer sports programs	7,250	7,250	5,402	(1,848)
Aerobic/exercise	42,760	42,760	42,832	72
Soda sales	15,500	15,500	13,497	(2,003)
Picnic reservations	3,500	3,500	3,651	151
Adult programs	3,520	3,520	2,763	(757)
Shared Programs	7,220	7,220	2,792	(4,428)
Miscellaneous recreation	2,175	2,175	1,658	(517)
Public works				
Solid waste user charge	437,750	437,750	438,394	644
Miscellaneous public works	4,850	4,850	10,303	5,453
	<u>704,350</u>	<u>704,350</u>	<u>671,557</u>	<u>(32,793)</u>
<b>COMMERCIAL REVENUES</b>				
Investment income	35,325	35,325	27,060	(8,265)
Cell tower lease revenue	107,000	107,000	135,163	28,163
Insurance Claims/rebates	-	-	4,908	4,908
Workers Compensation Reimbursement	-	-	16,160	16,160
Miscellaneous revenue	200	200	228	28
	<u>142,525</u>	<u>142,525</u>	<u>183,519</u>	<u>40,994</u>
<b>TOTAL REVENUES ON BUDGETARY BASIS</b>	<u>\$ 5,613,600</u>	<u>\$ 5,613,600</u>	5,661,592	<u>\$ 47,992</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Revenues credited to designated accounts				
Commercial revenue			<u>35,919</u>	
<b>TOTAL REVENUES</b>			<u>\$ 5,697,511</u>	

**VILLAGE OF ELM GROVE**

**GENERAL FUND-EXPENDITURES (Non-GAAP)**

Budgetary Comparison Schedule (Non-GAAP)

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CURRENT</b>				
General Government				
Salaries and wages	\$ 279,500	\$ 287,300	\$ 280,464	\$ 6,836
Fringe benefits	139,750	141,000	132,099	8,901
Legal	30,000	15,000	14,553	447
Attorney's retainer	12,325	12,325	12,317	8
Election	5,050	5,050	5,660	(610)
Office supplies	5,500	5,500	3,745	1,755
Printing, publishing, and postage	12,000	12,000	16,409	(4,409)
Utilities	107,000	107,000	108,526	(1,526)
Contracted services				
Tax roll preparation	4,500	4,500	4,572	(72)
Weights and measures	800	800	800	-
Audit and accounting	12,000	12,000	11,000	1,000
Payroll service	6,400	6,400	5,662	738
Assessor services	96,000	96,000	90,031	5,969
Elmbrook humane society	8,925	8,925	8,925	-
Wildlife management	5,000	5,000	-	5,000
Computer maintenance	42,500	42,500	42,836	(336)
Office equipment maintenance	7,255	7,255	5,411	1,844
Building cleaning	27,625	27,625	27,443	182
Internet expense	11,300	11,300	10,889	411
Zoning administrative	5,000	5,000	1,995	3,005
GIS expense	5,000	5,000	3,815	1,185
Insurance	195,850	195,850	185,271	10,579
Training, dues, memberships	10,000	10,000	11,338	(1,338)
License expense	2,500	2,500	1,618	882
Community relations	5,000	5,000	3,967	1,033
July 4th celebration	14,000	14,000	14,000	-
Building maintenance	18,000	18,000	30,203	(12,203)
Write-off delinquent taxes	-	-	1,631	(1,631)
Miscellaneous	4,500	4,500	4,532	(32)
	<u>1,073,280</u>	<u>1,067,330</u>	<u>1,039,712</u>	<u>27,618</u>
Municipal Court				
Salaries and wages	41,700	42,375	41,804	571
Fringe benefits	7,280	7,375	6,746	629
Office supplies and operating expenses	3,000	3,000	3,175	(175)
Miscellaneous	5,400	5,400	3,086	2,314
Judicial education	1,750	1,750	1,328	422
Legal	45,000	30,000	30,089	(89)
	<u>104,130</u>	<u>89,900</u>	<u>86,228</u>	<u>3,672</u>
Total General Government	<u>1,177,410</u>	<u>1,157,230</u>	<u>1,125,940</u>	<u>31,290</u>

**VILLAGE OF ELM GROVE**

**GENERAL FUND-EXPENDITURES (Non-GAAP)**  
 Budgetary Comparison Schedule (Non-GAAP)  
 For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CURRENT (continued)</b>				
Public Safety				
Police Department				
Salaries and wages	\$ 1,251,600	\$ 1,290,100	\$ 1,313,281	\$ (23,181)
Fringe benefits	727,825	737,825	713,295	24,530
Uniform/mileage	9,250	9,250	7,819	1,431
Equipment maintenance	54,800	54,800	62,794	(7,994)
Memberships and training	14,000	14,000	12,625	1,375
Sundry	13,800	13,800	14,263	(463)
	<u>2,071,275</u>	<u>2,119,775</u>	<u>2,124,077</u>	<u>(4,302)</u>
Dispatch Department				
Salaries and wages	253,500	253,500	241,450	12,050
Fringe benefits	125,225	125,225	111,906	13,319
Uniform/mileage	1,700	1,700	1,736	(36)
Communications maintenance	51,500	51,500	48,513	2,987
Memberships and training	2,600	2,600	1,218	1,382
Sundry	3,350	3,350	3,025	325
	<u>437,875</u>	<u>437,875</u>	<u>407,848</u>	<u>30,027</u>
Fire Department				
Wages and paid on call	191,700	192,700	176,409	16,291
Fringe benefits	36,155	36,505	34,852	1,653
Special response team	2,475	2,475	2,469	6
Fire drill payments	10,200	10,200	10,200	-
Equipment and operating	19,250	19,250	29,198	(9,948)
Communications maintenance	2,250	2,250	2,216	34
Memberships, training, prevention	6,300	6,300	6,448	(148)
	<u>268,330</u>	<u>269,680</u>	<u>261,792</u>	<u>7,888</u>
Inspection				
Building	32,000	32,000	43,015	(11,015)
Electrical	10,500	10,500	14,112	(3,612)
Plumbing	7,000	7,000	10,746	(3,746)
Special	4,500	4,500	2,200	2,300
	<u>54,000</u>	<u>54,000</u>	<u>70,073</u>	<u>(16,073)</u>
Total Public Safety	<u>2,831,480</u>	<u>2,881,330</u>	<u>2,863,790</u>	<u>17,540</u>

## VILLAGE OF ELM GROVE

### GENERAL FUND-EXPENDITURES (Non-GAAP)

Budgetary Comparison Schedule (Non-GAAP)

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CURRENT (continued)</b>				
Health and Sanitation				
Salaries and wages	\$ 40,820	\$ 40,820	\$ 40,517	\$ 303
Fringe benefits	21,370	21,370	19,683	1,687
Waste collection	229,600	229,600	228,309	1,291
Recycling collections	113,000	113,000	108,615	4,385
Brush disposal	32,000	32,000	34,346	(2,346)
Household hazardous waste disposal	650	650	824	(174)
Total Health and Sanitation	<u>437,440</u>	<u>437,440</u>	<u>432,294</u>	<u>5,146</u>
Highway and Transportation				
Department of Public Works				
Salaries and wages	289,500	285,800	285,490	310
Fringe benefits	153,490	144,990	144,961	29
Utilities	21,000	21,000	15,765	5,235
Pavement maintenance	147,000	110,000	110,093	(93)
Snow and ice control	27,000	27,000	24,416	2,584
Building and ground maintenance	7,000	7,000	4,745	2,255
Traffic control	38,000	33,335	33,470	(135)
Equipment maintenance	60,000	60,000	60,080	(80)
Sundry	8,000	8,000	5,893	2,107
Engineering	5,000	5,000	4,455	545
	<u>755,990</u>	<u>702,125</u>	<u>689,368</u>	<u>12,757</u>
Forestry				
Salaries and wages	58,100	59,400	59,640	(240)
Fringe benefits	18,050	18,300	15,947	2,353
Forestry tree care	43,000	43,000	33,960	9,040
Elm tree treatment	5,500	5,500	2,367	3,133
Landscaping	5,000	5,000	6,075	(1,075)
Miscellaneous	700	700	515	185
	<u>130,350</u>	<u>131,900</u>	<u>118,504</u>	<u>13,396</u>
Total Highway and Transportation	<u>886,340</u>	<u>834,025</u>	<u>807,872</u>	<u>26,153</u>

**VILLAGE OF ELM GROVE**

**GENERAL FUND-EXPENDITURES (Non-GAAP)**

Budgetary Comparison Schedule (Non-GAAP)

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>CURRENT (continued)</b>				
Park and Recreation				
Salaries and wages	\$ 108,300	\$ 109,500	\$ 103,489	\$ 6,011
Fringe benefits	21,885	22,115	18,022	4,093
Instructor fees	39,695	39,695	36,579	3,116
Operating expenses and utilities	35,200	35,200	32,659	2,541
Printing and miscellaneous	13,550	13,550	13,168	382
Baseball program	4,300	4,300	4,625	(325)
Swimming program	3,700	3,700	3,569	131
Tennis program	2,750	2,750	997	1,753
Soda/snack	10,400	10,400	7,104	3,296
Summer recreation	5,400	5,400	5,243	157
Total Park and Recreation	<u>245,180</u>	<u>246,610</u>	<u>225,455</u>	<u>21,155</u>
<b>TOTAL CURRENT</b>	<u>5,577,850</u>	<u>5,556,635</u>	<u>5,455,351</u>	<u>101,284</u>
Contingency	210,000	-	-	-
Total Contingency	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer out				
Capital Project Fund	-	70,000	70,000	-
Municipal Water Fund	-	161,215	161,215	-
	<u>-</u>	<u>231,215</u>	<u>231,215</u>	<u>-</u>
Capital Outlay				
Police- Vests	750	750	759	(9)
Total New Equipment	<u>750</u>	<u>750</u>	<u>759</u>	<u>(9)</u>
<b>TOTAL EXPENDITURES AND TRANSFERS ON BUDGETARY BASIS</b>	<u>\$ 5,788,600</u>	<u>\$ 5,788,600</u>	5,687,325	<u>\$ 101,275</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Long-term accrued health benefits for former police chief charged to liability			17,163	
Expenditures charged to designated accounts				
General Government			6,802	
Public Safety			7,029	
Park and Recreation			7,558	
Capital Outlay			3,674	
<b>TOTAL EXPENDITURES AND TRANSFERS</b>			<u>\$ 5,729,551</u>	

VILLAGE OF ELM GROVE

**Sewer Fund**

Budgetary Comparison Schedule  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,608,900	\$ 1,608,900	\$ 1,608,900	\$ -
Public charges for services - user and connection charge	786,600	786,600	796,000	9,400
Commercial revenues				
Investment income	7,500	7,500	6,530	(970)
Miscellaneous Income	-	-	149	149
Total Revenues	<u>2,403,000</u>	<u>2,403,000</u>	<u>2,411,579</u>	<u>8,579</u>
<b>EXPENDITURES</b>				
Current - health and sanitation				
Metropolitan sewer and capital cost recovery charges	1,714,102	1,714,102	1,708,392	5,710
Inspection and engineering	15,000	15,000	11,294	3,706
Legal, audit, insurance	19,500	19,500	15,045	4,455
Administrative	53,300	53,300	53,940	(640)
Miscellaneous	7,500	7,500	3,889	3,611
Infrastructure repair and maintenance	60,000	60,000	30,427	29,573
Capital outlay				
Equipment	35,000	35,000	38,235	(3,235)
Total Expenditures	<u>1,904,402</u>	<u>1,904,402</u>	<u>1,861,222</u>	<u>43,180</u>
Excess of revenues over (under) expenditures	498,598	498,598	550,357	51,759
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out				
Debt service fund	<u>(498,598)</u>	<u>(498,598)</u>	<u>(493,702)</u>	<u>4,896</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	56,655	<u>\$ 56,655</u>
FUND BALANCE - Beginning of Year			<u>965,221</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,021,876</u>	

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

**VILLAGE OF ELM GROVE**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended December 31, 2011

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**NOTE 1 – BUDGETARY INFORMATION**

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Budgetary information is derived from the annual operating budgets.

The Village adopted annual individual fund budgets for all governmental funds. These budgets are adopted in accordance with State Statutes. The actual results of operations presented in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2011 budget. For purposes of preparing the Budgetary Comparison Schedules of Revenue, Expenditures and Changes in Fund Balance, the actual results of operations have been adjusted to a basis consistent with the Village's budgeted revenues and expenditures. The budgetary data reflects the approved budgets of the above funds including amendments adopted by the Village Board. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the total fund level for all funds.

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**SUPPLEMENTARY INFORMATION**

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds

Combining Balance Sheet

As of December 31, 2011

	Special Revenue Funds					Capital Project Funds		
	Library Fund	EMS Fund	Stormwater Operations Fund	TID #2 Fund	Library Gift Fund	Water Fund	Stormwater Fund	Total
<b>ASSETS</b>								
Cash and temporary investments	\$ 194,759	\$ 200,067	\$ 453,693	\$ 168,475	\$ 55,446	\$ -	\$ -	\$ 1,072,440
Taxes receivable	174,959	97,148	212,956	173,119	-	-	-	658,182
Receivables								
Accounts	-	61,024	40,925	-	-	-	-	101,949
Allowance for Doubtful Accounts	-	(38,108)	-	-	-	-	-	(38,108)
<b>TOTAL ASSETS</b>	<b>\$ 369,718</b>	<b>\$ 320,131</b>	<b>\$ 707,574</b>	<b>\$ 341,594</b>	<b>\$ 55,446</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,794,463</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 1,719	\$ 2,835	\$ 4,416	\$ -	\$ 1,394	\$ -	\$ -	\$ 10,364
Accrued payroll and related liabilities	5,259	48,605	-	-	-	-	-	53,864
Advance from other funds	-	-	-	595,056	-	-	826,872	1,421,928
Deferred revenue	345,225	202,826	502,621	341,594	-	-	-	1,392,266
<b>Total Liabilities</b>	<b>352,203</b>	<b>254,266</b>	<b>507,037</b>	<b>936,650</b>	<b>1,394</b>	<b>-</b>	<b>826,872</b>	<b>2,878,422</b>
<b>Fund Balances</b>								
Restricted	17,515	40,368	-	-	54,052	-	-	111,935
Committed	-	25,497	200,537	-	-	-	-	226,034
Unassigned	-	-	-	(595,056)	-	-	(826,872)	(1,421,928)
<b>Total Fund Balances (Deficit)</b>	<b>17,515</b>	<b>65,865</b>	<b>200,537</b>	<b>(595,056)</b>	<b>54,052</b>	<b>-</b>	<b>(826,872)</b>	<b>(1,083,959)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 369,718</b>	<b>\$ 320,131</b>	<b>\$ 707,574</b>	<b>\$ 341,594</b>	<b>\$ 55,446</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,794,463</b>

**VILLAGE OF ELM GROVE**

**Nonmajor Governmental Funds**  
 Combining Statement of Revenues, Expenditures  
 And Changes in Fund Balances  
 For the Year Ended December 31, 2011

	Special Revenue Funds				Capital Project Funds			Totals
	Library Fund	EMS Fund	Stormwater		Library Gift Fund	Water Fund	Stormwater Fund	
			Operations Fund	TID #2 Fund				
<b>REVENUES</b>								
Property taxes	\$ 351,600	\$ 200,565	\$ 220,000	\$ 437,809	\$ -	\$ -	\$ -	\$ 1,209,974
Intergovernmental revenues	34,129	4,688	22,620	14,090	-	-	-	75,527
Public charges for services	15,000	100,642	475,543	-	-	-	-	591,185
Commercial revenues	-	-	-	-	-	-	-	-
Donations	-	200	-	-	31,963	-	-	32,163
Investment income	485	659	1,771	-	71	-	-	2,986
<b>Total Revenues</b>	<u>401,214</u>	<u>306,754</u>	<u>719,934</u>	<u>451,899</u>	<u>32,034</u>	<u>-</u>	<u>-</u>	<u>1,911,835</u>
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	150	-	-	-	150
Library	391,581	-	-	-	23,162	-	-	414,743
Public safety- emergency medical service	-	296,161	-	-	-	-	-	296,161
Health and sanitation	-	-	235,595	-	-	-	32,526	268,121
Interest	-	-	-	716	-	-	1,250	1,966
Capital outlay	-	2,274	-	-	-	-	-	2,274
<b>Total Expenditures</b>	<u>391,581</u>	<u>298,435</u>	<u>235,595</u>	<u>866</u>	<u>23,162</u>	<u>-</u>	<u>33,776</u>	<u>983,415</u>
Excess of revenues over (under) expenditures	9,633	8,319	484,339	451,033	8,872	-	(33,776)	928,420
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In	-	-	-	-	-	161,214	60,678	221,892
Transfer out	-	-	(446,844)	(333,442)	-	-	-	(780,286)
<b>Net change in fund balances</b>	9,633	8,319	37,495	117,591	8,872	161,214	26,902	370,026
FUND BALANCE (DEFICIT) - Beginning of Year (restated)	7,882	57,546	163,042	(712,647)	45,180	(161,214)	(853,774)	(1,453,985)
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 17,515</u>	<u>\$ 65,865</u>	<u>\$ 200,537</u>	<u>\$ (595,056)</u>	<u>\$ 54,052</u>	<u>\$ -</u>	<u>\$ (826,872)</u>	<u>\$ (1,083,959)</u>

**VILLAGE OF ELM GROVE**

**Library Fund**

Budgetary Comparison Schedule  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 351,600	\$ 351,600	\$ 351,600	\$ -
Intergovernmental revenues - crossover lending	33,500	33,500	34,129	629
Public charges for services	13,750	13,750	15,000	1,250
Commercial revenues - investment income	500	500	485	(15)
<b>Total Revenues</b>	<u>399,350</u>	<u>399,350</u>	<u>401,214</u>	<u>1,864</u>
<b>EXPENDITURES</b>				
Current - library				
Salaries and wages	241,675	241,675	240,171	1,504
Fringe benefits	74,530	74,530	58,870	15,660
New material and book service	49,275	49,275	52,364	(3,089)
Supplies and equipment maintenance	33,325	33,325	34,975	(1,650)
Sundry	5,545	5,545	5,201	344
<b>Total Expenditures</b>	<u>404,350</u>	<u>404,350</u>	<u>391,581</u>	<u>12,769</u>
<b>Net change in fund balances</b>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	9,633	<u>\$ 14,633</u>
FUND BALANCE - Beginning of Year			<u>7,882</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 17,515</u>	

**VILLAGE OF ELM GROVE**

**Emergency Medical Service Fund**  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 200,565	\$ 200,565	\$ 200,565	\$ -
Public charges for services	89,500	89,500	100,642	11,142
Commercial revenues				
Investment income	750	750	659	(91)
Total Revenues	<u>290,815</u>	<u>290,815</u>	<u>301,866</u>	<u>11,051</u>
<b>EXPENDITURES</b>				
Ambulance				
Wages and paid on call	225,515	225,515	226,954	(1,439)
Fringe benefits	36,800	36,800	35,237	1,563
EMT training	3,000	3,000	4,726	(1,726)
Uniforms	1,300	1,300	942	358
Medical supplies	10,000	10,000	11,207	(1,207)
Ambulance maintenance	2,000	2,000	1,935	65
Ambulance communications	1,000	1,000	556	444
Ambulance billing fees	6,000	6,000	6,982	(982)
Miscellaneous	4,400	4,400	5,069	(669)
Capital outlay	2,800	2,800	2,274	526
Total Expenditures	<u>292,815</u>	<u>292,815</u>	<u>295,882</u>	<u>(3,067)</u>
Excess of revenues over (under) expenditures	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	5,984	<u>\$ 7,984</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Revenues credited to designated accounts				
Intergovernmental Revenue-ACT 102 funds			4,688	
Commercial revenue			200	
Expenditures charged to designated accounts				
Miscellaneous			<u>2,553</u>	
<b>Net change in fund balance</b>			8,319	
FUND BALANCE - Beginning of Year			<u>57,546</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 65,865</u>	

**VILLAGE OF ELM GROVE**

**Stormwater Operations Fund**  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Intergovernmental revenues - stormwater grant	-	-	22,620	22,620
Public charges for services	473,375	473,375	475,543	2,168
Commercial revenues - investment income	2,000	2,000	1,771	(229)
<b>Total Revenues</b>	<u>695,375</u>	<u>695,375</u>	<u>719,934</u>	<u>24,559</u>
<b>EXPENDITURES</b>				
Current - health and sanitation				
Infrastructure repair and maintenance	60,000	60,000	69,442	(9,442)
Administrative	155,500	155,500	159,876	(4,376)
Inspection, engineering, audit	14,000	14,000	6,277	7,723
<b>Total Expenditures</b>	<u>229,500</u>	<u>229,500</u>	<u>235,595</u>	<u>(6,095)</u>
Excess of revenues over expenditures	465,875	465,875	484,339	18,464
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out				
Stormwater Project Fund-payback advancement	(60,677)	(60,677)	(60,677)	-
Debt service fund	(386,167)	(386,167)	(386,167)	-
	<u>(446,844)</u>	<u>(446,844)</u>	<u>(446,844)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 19,031</u>	<u>\$ 19,031</u>	37,495	<u>\$ 18,464</u>
FUND BALANCE - Beginning of Year			<u>163,042</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 200,537</u>	

**VILLAGE OF ELM GROVE**

**Tax Increment District #2**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes- TIF Increment	\$ 434,000	\$ 434,000	\$ 437,809	\$ 3,809
Intergovernmental revenues	10,000	10,000	14,090	4,090
Total Revenues	<u>444,000</u>	<u>444,000</u>	<u>451,899</u>	<u>7,899</u>
<b>EXPENDITURES</b>				
Current - general government				
Administrative	-	-	150	(150)
Debt service - Interest of advances	1,000	1,000	716	284
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>866</u>	<u>134</u>
Excess of revenues over (under) expenditures	443,000	443,000	451,033	8,033
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out				
Debt service fund	<u>(333,442)</u>	<u>(333,442)</u>	<u>(333,442)</u>	<u>-</u>
Net change in fund balance	<u>\$ 109,558</u>	<u>\$ 109,558</u>	117,591	<u>\$ 8,033</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(712,647)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (595,056)</u>	

**VILLAGE OF ELM GROVE**

**Library Gift Fund**

Budgetary Comparison Schedule  
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Commercial revenues				
Donations	\$ -	\$ -	\$ 31,963	\$ 31,963
Investment Income	-	-	71	71
Total Revenues	<u>-</u>	<u>-</u>	<u>32,034</u>	<u>32,034</u>
<b>EXPENDITURES</b>				
Library	<u>-</u>	<u>-</u>	<u>23,162</u>	<u>(23,162)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8,872	<u>\$ -</u>
FUND BALANCE - Beginning of Year			<u>45,180</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 54,052</u>	

## VILLAGE OF ELM GROVE

### Debt Service Fund Budgetary Comparison Schedule For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Commercial Revenue-investment Income	\$ 2,200	\$ 2,200	\$ 2,213	\$ 13
Total Revenue	<u>2,200</u>	<u>2,200</u>	<u>2,213</u>	<u>13</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	780,000	780,000	780,000	-
Interest	438,210	438,210	433,310	4,900
Total Expenditures	<u>1,218,210</u>	<u>1,218,210</u>	<u>1,213,310</u>	<u>4,900</u>
Excess of revenues over (under) expenditures	(1,216,010)	(1,216,010)	(1,211,097)	4,913
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Special revenue funds				
Sewer fund	498,600	498,600	493,702	(4,898)
Stormwater fund	386,167	386,167	386,167	-
TID # 2	<u>333,442</u>	<u>333,442</u>	<u>333,442</u>	<u>-</u>
Net change in fund balance	<u>\$ 2,199</u>	<u>\$ 2,199</u>	2,214	<u>\$ 15</u>
FUND BALANCE - Beginning of Year			<u>861,919</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 864,133</u>	

**VILLAGE OF ELM GROVE**

**5 Year Capital Projects Fund**  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 487,500	\$ 487,500	\$ 487,500	\$ -
Intergovernmental revenue	50,000	50,000	54,000	4,000
Commercial revenues				
Donations	-	-	7,800	7,800
Investment income	10,000	10,000	6,533	(3,467)
Total Revenues	<u>547,500</u>	<u>547,500</u>	<u>555,833</u>	<u>8,333</u>
<b>EXPENDITURES</b>				
Capital outlay				
Equipment	397,850	845,350	701,637	143,713
Building and land improvements	63,000	63,000	2,880	60,120
Infrastructure	214,100	445,600	445,711	(111)
Other	7,933	7,933	2,695	5,238
Total Expenditures	<u>682,883</u>	<u>1,361,883</u>	<u>1,152,923</u>	<u>208,960</u>
Excess of revenues over (under) expenditures	(135,383)	(814,383)	(597,090)	217,293
<b>OTHER FINANCING SOURCES</b>				
Sale of village property	60,000	60,000	41,228	(18,772)
Transfer in from General Fund	-	70,000	70,000	-
<b>Net change in fund balance</b>	<u>\$ (75,383)</u>	<u>\$ (684,383)</u>	<u>(485,862)</u>	<u>\$ 198,521</u>
FUND BALANCE - Beginning of Year			<u>1,838,066</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,352,204</u>	

**VILLAGE OF ELM GROVE**

**Stormwater Projects Capital Projects Fund**

Budgetary Comparison Schedule

For the Year Ended December 31, 2011

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Litigation Expense	-	-	32,526	(32,526)
Interest	-	-	1,250	(1,250)
Total Expenditures	-	-	33,776	(33,776)
Excess of revenues over (under) expenditures	-	-	(33,776)	(33,776)
<b>OTHER FINANCING SOURCES</b>				
Transfer in- Stormwater Utility	-	-	60,678	60,678
Net change in fund balances	\$ -	\$ -	26,902	\$ 26,902
FUND BALANCE (Deficit)- Beginning of Year			(853,774)	
<b>FUND BALANCE (Deficit) - END OF YEAR</b>			\$ (826,872)	

**VILLAGE OF ELM GROVE**

**Municipal Water Fund**  
 Budgetary Comparison Schedule  
 For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital outlay	-	-	-	-
<b>OTHER FINANCING SOURCES</b>				
Transfer in from General Fund	-	161,215	161,214	1
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 161,215</u>	161,214	<u>\$ (1)</u>
FUND BALANCE (Deficit) - Beginning of Year			<u>(161,214)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

**VILLAGE OF ELM GROVE**

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA  
2007- 2011 Tax Rolls

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>STATE TAXES</b>	\$ 190,830	\$ 193,212	\$ 186,685	\$ 180,754	\$ 177,758
<b>COUNTY TAXES</b>	1,975,224	1,999,717	2,008,500	2,055,541	2,071,197
<b>LOCAL TAXES</b>					
Property taxes	6,315,194	6,354,735	6,332,600	6,452,095	6,493,395
Tax Incremental Financing Taxes	224,155	368,867	477,472	437,809	341,594
<b>SCHOOL TAXES</b>					
School District of Elmbrook	10,471,963	10,926,768	10,787,930	11,157,001	10,329,265
Vocational Adult and Technical Education District	1,210,416	1,236,784	1,243,443	1,286,917	1,288,931
Total School Taxes	11,682,379	12,163,552	12,031,373	12,443,918	11,618,196
Total General Property Taxes	20,387,782	21,080,083	21,036,630	21,570,117	20,702,140
<b>SPECIAL ASSESSMENTS</b>					
Sewer usage charges	597,599	619,744	630,940	671,311	692,314
Solid waste/recycling	412,111	432,028	438,869	439,786	460,862
Stormwater utility fee	216,463	238,600	260,848	302,934	305,026
Miscellaneous	1,912	5,566	4,461	6,224	4,797
	1,228,085	1,295,938	1,335,118	1,420,255	1,462,999
<b>TOTAL TAX ROLLS</b>	\$ 21,615,867	\$ 22,376,021	\$ 22,371,748	\$ 22,990,372	\$ 22,165,139
<b>VALUATION OF ASSESSABLE PROPERTY</b>					
<b>ASSESSED VALUATION</b>	\$ 1,110,071,290	\$ 1,108,117,800	\$ 1,107,779,097	\$ 1,083,694,700	\$ 1,052,904,300
<b>EQUALIZED VALUATION</b>	\$ 1,124,478,100	\$ 1,138,507,100	\$ 1,100,050,700	\$ 1,065,098,100	\$ 1,047,445,900
<b>RATIO OF ASSESSED TO EQUALIZED</b>	<u>98.72%</u>	<u>97.33%</u>	<u>100.70%</u>	<u>101.75%</u>	<u>100.52%</u>