

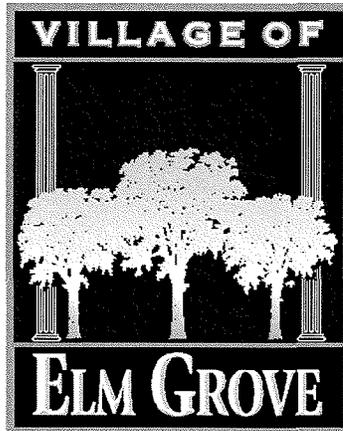
VILLAGE OF ELM GROVE

Waukesha County, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2012



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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the Village of Elm Grove's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Village Board
Village of Elm Grove

Opinions

In our opinion, the financial statements referred to above 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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

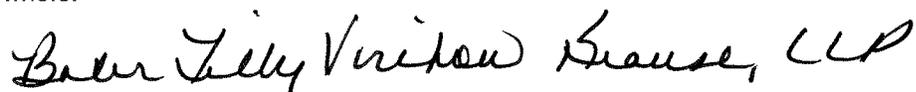
Emphasis of Matter

As discussed in Note I, the Village of Elm Grove adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

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

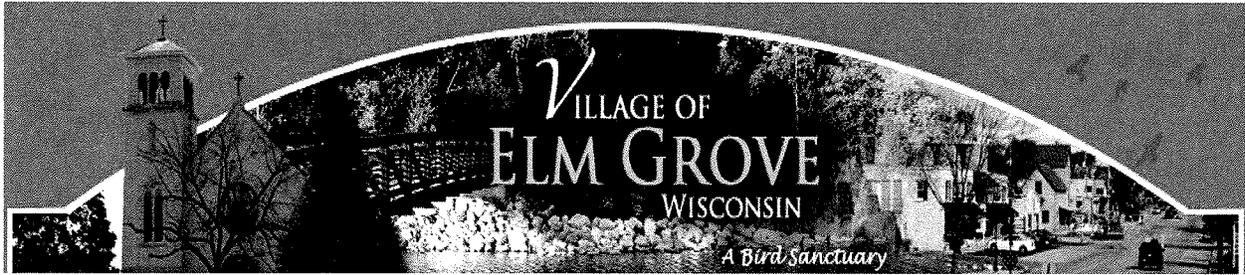
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Elm Grove's basic financial statements. The combining fund financial statements, budgetary comparison schedules and comparative schedule of taxes and valuation data are presented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



Milwaukee, Wisconsin
May 23, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Elm Grove



Management's Discussion and Analysis (Unaudited) As of and for the Year End December 31, 2012

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, 2012. 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, 2012 by \$20.5 million.
- As of December 31, 2012 the Village's governmental funds reported combined ending fund balance of \$5,738,492.
- The Village was awarded in 2012 a settlement of \$1,250,000 for legal fees in its lawsuit with a former contractor of its stormwater management project.
- The Village refunded outstanding general obligation debt in February of 2012 which will provide estimated savings of \$1.1 million in interest over the life of the debt.
- The tax increment district saw an increase in its value during 2012 which will generate an increased increment in 2013 and new construction began on a commercial property that had been vacant for a number of years.
- Included in the general operating fund balance is unassigned fund balance of \$2,047,938 which is equal to 36.0% of total general fund expenditures. These funds are available for future village needs including working capital.
- Favorable results of operations allowed the general fund to transfer \$145,000 to the capital project fund.
- Net position increased by \$1,961,994 and total fund balance increased by \$1,193,545 from the prior year.
- Property value in Tax Increment District #2 provided a tax increment in 2012 of \$341,594 as compared to \$437,809 in 2011 a decrease due to a decline in property value, but development during 2012 will produce an increment for 2013 of \$475,181.
- 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 position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, Tax Increment #2 Fund, the Debt Service Fund, and the Capital Project Fund which are considered to be major funds.

Data from the other six 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 stormwater project fund will be closed as of December 31, 2012. The municipal water project fund will be used for project costs to engineer and construct a limited municipal water system as part of the Village's tax increment district #2.

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 2012 the Village implemented GASB 63, Financial Reporting of Deferred Outflows of Revenues, Deferred Inflows of Resources, and Net Position. This accounting standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include language for these elements, which are distinct from assets and liabilities.

Government-wide Financial Analysis

The Village's total net position, net of related debt, exceeded liabilities by \$20,508,378 at the close of 2012. The largest segment of net position is the Village's investment in capital assets. The Village reports land, land improvements, building, equipment and infrastructure.

Village of Elm Grove's Net Position			
Governmental Activities			
	2012		2011
Current & other assets	\$ 14,889,378	\$	13,763,395
Capital Assets	<u>27,015,319</u>	<u>27,364,144</u>	
Total assets	<u>41,904,697</u>	<u>41,127,539</u>	
Long term liabilities outstanding	11,201,399	12,247,555	
Other liabilities	<u>10,194,920</u>	<u>10,333,600</u>	
Total liabilities	<u>21,396,319</u>	<u>22,581,155</u>	
Net position:			
Investment in capital assets	16,855,319	17,074,144	
Restricted	681,483	1,361,919	
Unrestricted	<u>2,971,576</u>	<u>110,321</u>	
Total net position	<u>\$ 20,508,378</u>	<u>\$ 18,546,384</u>	

Net position increased by \$1,961,994 in 2012. 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 position increase is mainly attributed to the favorable settlement of the Village's lawsuit and control of expenses.

The Village's general obligation debt is \$11,350,000 as compared to \$11,930,000 in 2011, a reduction of \$580,000. 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 two police officers injured on duty and retired under the State of Wisconsin duty disability plan. The Village has a contractual obligation to provide the former employees and their families with health and dental insurance coverage until they reach Medicare eligibility at the same cost as current employees. A long term liability of \$871,210 is included in the government-wide statements. The expense of this obligation will be recognized annually in the operating expense of the fund statements.

Village of Elm Grove Change in Net Position

	Governmental Activities	
	2012	2011
Revenues		
<u>Program revenues</u>		
Charges for services	\$ 2,415,751	\$ 2,374,769
Operating grants and contributions	716,792	722,881
Capital grants and contributions	29,953	26,620
 <u>General revenues</u>		
Taxes	6,493,395	6,452,095
Taxes generated from TID increment	341,594	437,809
Intergovernmental revenue not restricted to specific programs	217,394	228,595
Investment income	25,696	37,882
Other	263,628	292,375
Total revenue before extraordinary items	10,504,203	10,573,026
Settlement of lawsuit	1,250,000	-
Federal contribution to highway project	-	1,624,362
Total revenues	11,754,203	12,197,388
 Expenses		
General Government	1,422,768	1,283,229
Public Safety	3,284,598	4,052,000
Highway and Transportation	1,102,688	1,299,338
Health and Sanitation	3,056,274	2,876,611
Library	441,712	423,337
Parks and recreation	311,277	316,343
Interest and fiscal charges	172,892	441,711
Total Expenses	9,792,209	10,692,569
Increase in net position	1,961,994	1,504,819
Net assets beginning	18,546,384	17,041,565
Net assets ending	\$ 20,508,378	\$ 18,546,384

Government Activities

Governmental activities increased the Village's net position by \$1,961,994. Taxes increased slightly by \$41,300. 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 61.82% of the Village's total revenue net of the special item, settlement received in lawsuit.

Charges for services increased \$40,982 in 2012. 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 increased sewer fees and permit fees net of decreases in recreation fees and fines. Recreation fees decreased due mainly to competition of neighboring municipalities and private

recreational opportunities. The village reduced expenditures to offset the loss of revenue and is evaluating 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. The Village is a fully developed community but had five new single family homes built in 2012 as property owners have chosen to demolish and rebuild instead of moving from the community. A new commercial property began construction of an assisted living facility on a former manufacturing site that has been vacant for a number of years.

Operating grants changed very little, a decrease of \$6,089. While the Village has seen a decrease in state transportation aid; it was offset by funds received from Milwaukee Metropolitan Sewage District for reimbursement for work done to prevent groundwater in the sewage system. This has been an area wide initiative in which the Village is participating. Capital grants in 2012 included grant funding of equipment for new police squads and road improvements.

Investment income for 2012 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

As of December 31, 2012, the Village of Elm Grove's governmental funds reported combined ending fund balances of \$5.7 million, an increase of \$1.2 million from 2011. This is mainly attributed to the Village's favorable settlement in an ongoing lawsuit with a contractor. The Village was awarded \$1.25 million in 2012 to cover legal fees incurred. The general fund balance decreased by \$17,653 from 2011 after an interfund transfer of \$145,000 to the capital project fund for future use. This was a management decision to use available funds and reduce the general fund unassigned fund balance marginally. The general fund ended 2012 with an unassigned fund balance of \$2 million which is available for future uses at the Village's discretion. This is above the Village's designated level in its fund balance policy and is attributed to the repayment of funds advanced in the lawsuit. The Village will consider its future financial needs and the appropriate level during the first half of 2013 with consideration to internal financing of the limited municipal water system to be constructed in 2013.

The capital project fund balance increased by \$310,052. 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. During 2012 \$381,460 was transferred into the capital fund to be used for future projects including \$145,000 from the general fund, \$146,500 from the stormwater fund to support the stormwater portions of a pathway project to be constructed in 2013, and \$89,960 from the stormwater project fund.

Village property owners obtain water through private wells or a very small number of community wells operated privately. In 2005 the Village began looking into a limited municipal water system to supply

water to the downtown area and specific adjoining residential areas. 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.

During 2012 the Village was approached by a developer within its tax increment district for assistance on developing a former manufacturing site that has been vacant for a number of years. The developer will be constructing a 98 unit assisted living center. Working with the developer the Village amended its TIF plan and will be installing a limited municipal water system to this site. Water will be obtained from a neighboring community. Design of the water system is currently underway and will be constructed beginning in spring 2013. This system will be available to property owners whose properties are along the route and has the capability for future expansion.

General Fund budgetary highlights

The year end results of operations compared to the 2012 budget for the Village of Elm Grove were positive. General Fund revenues exceeded budget by approximately \$26,402. The Village saw additional grant funding for public safety special enforcements, the second year of higher than budgeted permit revenue, and additional cell tower lease payments. Positive expenditure results in the general fund allowed for the transfer of \$145,000 to the capital fund mainly attributed to savings in the health insurance premiums. The Village changed carriers effective January of 2012 and redesigned the plan offered.

The general fund expenditures were \$170,765 under budget after these transfers including \$135,000 of unused contingency. Wages and fringe benefits were controlled by the change in health carriers and plan design, monitoring of overtime and positive results of the continued use of a Health Reimbursement Account in conjunction with the high-deductible health plan. The Village provides fire and emergency medical services to residents with a paid on call service. Fire on call wages were under-budget by \$15,000 due to the number of calls. The Village had contracts with three labor groups which were 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 2012 increases are reflected in these statements. Effective January 1, 2013 two of the union groups, dispatch and public works, have chosen to dissolve. 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 in effect beginning in the latter half of 2011 required all employees other than current public-safety members to contribute one half of the required contribution (5.9% in 2012). 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 2012 statements reflect a full year of savings of for the employee's contribution for non-represented employees. Beginning in 2013 the two other employee groups, dispatch and public works, will begin to contribute.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental activities as of December 31, 2012 amounts to \$27 million (net of accumulated depreciation). The village capitalized an additional \$782,992 in assets and had depreciation expense of \$1,007,494.

Village of Elm Grove's Capital Assets

(net of depreciation)

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Land	\$ 7,791,413	\$ 7,791,413
Land Improvements	194,391	200,462
Buildings and improvements	2,910,541	2,939,254
Machinery and equipment	2,351,089	2,279,837
Construction in progress	-	79,186
Infrastructure	13,767,885	14,073,992
	<u>\$ 27,015,319</u>	<u>\$ 27,364,144</u>

Long-term Debt

At the end of 2012 the Village of Elm Grove had total general obligation debt outstanding of \$11.35 million. The Village issued no additional debt in 2012 but did issue general obligation advance refunding bonds on February 14, 2012. Under state statutes the village has the authority to borrow 5% of its equalized value or \$50.6 million. Current outstanding debt represents 1.12% of the Village's equalized value of \$1.011 billion. The Village continues to have a strong credit rating of Aa2 reconfirmed through from Moody's on it recent general obligation refunding debt issued in 2012.

Village of Elm Grove's Outstanding Debt

	<u>2012</u>	<u>2011</u>
General Obligation Bonds		
Sewer Bonds	\$ 1,190,000	\$ 1,640,000
Stormwater Project Bonds	<u>10,160,000</u>	<u>10,290,000</u>
Total G.O. Debt	<u>\$ 11,350,000</u>	<u>\$ 11,930,000</u>

As was noted above, 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. Both 2011 and 2012 debt obligations are 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 \$871,210 for future health benefits for two police officers 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. Both police officers injured on duty retired under the State of Wisconsin duty disability program. The Village has a contractual obligation to provide the officers and their families health insurance until they reach Medicare age. The present value of this liability is \$871,000 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 allows public safety employees who retire under the Wisconsin Retirement Program to remain on its group insurance plan but at their own cost. The Village's only liability would be from an implicit rate subsidy until a public safety employee reaches Medicare age. Past history indicates that this benefit is not used due to the high cost to a retiree. In the past ten years no one has utilized this benefit. This benefit will be reviewed each year and recorded if a material change is identified. Effective January 1, 2013 this benefit is not available to any other employees and the village does not have any employees currently participating.

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 \$1.011 billion. Residential properties comprise 89.24% of real property values. The average equalized value of a single family residence in Elm Grove is \$402,200, 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 as in an increasing trend of existing homes torn down and new homes built. This trend is expected to continue.

The Village's 2013 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 2013 budget maintains the tax levy at the same level as the prior year. The Village's 2013 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 2013, 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 employee contributions of \$102,000 to the Wisconsin Retirement System from all employees other than public safety, health insurance premium sharing with employees paying 15% of premium cost, a modest increase of 2.68% to health insurance premiums, employee wage increases of approximately 2%, capital expenditures of \$900,000 as the Village continues to invest in its infrastructure and equipment, \$400,000 of expenditures for its own local library and \$295,000 for paramedic level paid on call emergency medical service.

With the settlement of the contractor lawsuit and the Village's award, stormwater utility fees were able to be reduced by 13%. The tax increment district value increased in the current year providing an increased tax increment and the redevelopment of a vacant manufacturing property to a significantly higher value commercial use within the district. The tax increment district is in the Village's downtown commercial district and this development is a positive step to future change and investment.

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.

General information relating to the Village of Elm Grove, Wisconsin, can be found at the Village's website, www.elmgrovetwi.org.

BASIC FINANCIAL STATEMENTS

Village of Elm Grove

Statement of Net Position As of December 31, 2012

	Governmental Activities
ASSETS	
Cash and investments	\$ 11,079,657
Receivables (net)	
Taxes	3,372,258
Accounts	269,097
Allowance for doubtful accounts	(38,842)
Interest	1,621
Prepays	116,905
Unamortized Debt Issuance Charges	88,682
Capital Assets	
Land	7,791,413
Other capital assets, net of depreciation	<u>19,223,906</u>
Total Assets	<u>41,904,697</u>
LIABILITIES	
Accounts payable and accrued expenses	700,039
Unearned revenue	8,437,660
Current portion of long-term obligations	1,057,221
Noncurrent portion of long-term obligations	<u>11,201,399</u>
Total Liabilities	<u>21,396,319</u>
NET POSITION	
Net investment in capital assets	16,855,319
Restricted for debt service	543,678
Restricted for donor specified purpose	79,547
Restricted for Federal Asset Program	3,745
Restricted for library	18,701
Restricted for State Act 102 funding	35,812
Unrestricted	<u>2,971,576</u>
Total Net Position	<u>\$ 20,508,378</u>

See accompanying notes to the financial statements.

Village of Elm Grove

Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & contributions	Capital Grants & Contributions	
Governmental Activities					
General government	\$ 1,422,768	9,752	3,675	-	(1,409,341)
Public safety	3,284,598	421,163	49,069	8,000	(2,806,366)
Health and sanitation	3,056,274	1,758,946	117,290	-	(1,180,038)
Highway and transportation	1,102,688	28,831	514,489	21,953	(537,415)
Library	441,712	14,628	32,269	-	(394,815)
Park and recreation	311,277	182,431	-	-	(128,846)
Interest and fiscal charges	172,892	-	-	-	(172,892)
	<u>\$ 9,792,209</u>	<u>2,415,751</u>	<u>716,792</u>	<u>29,953</u>	<u>(6,629,713)</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes					6,493,395
Property taxes, other (TID #2)					341,594
Intergovernmental revenues not restricted to specific purpose					217,394
Investment income					25,696
Other					263,628
Total general revenues					<u>7,341,707</u>
Extraordinary Item					
Lawsuit settlement					<u>1,250,000</u>
Change in Net Position					1,961,994
Net Position at Beginning of the Year					<u>18,546,384</u>
Net Position at Year End					<u>\$ 20,508,378</u>

See accompanying notes to financial statements.

Village of Elm Grove
Governmental Funds
Balance Sheet
As of December 31, 2012

ASSETS	General Fund	Special Revenue Sewer Fund	Special Revenue TID #2 Fund	Debt Service Fund	5 Year Capital Projects Fund	Nonmajor Governmental Funds	Totals
Cash and investments	\$ 5,096,418	2,442,432	269,970	267,481	2,032,270	971,086	11,079,657
Receivables (net)							
Taxes	1,691,657	863,055	205,212	-	232,772	377,684	3,370,380
Delinquent Personal Property Tax	1,878	-	-	-	-	-	1,878
Accounts	25,251	108,951	-	-	-	112,942	247,144
Allowance for Doubtful Accounts	-	-	-	-	-	(38,842)	(38,842)
Due from State	21,953	-	-	-	-	-	21,953
Interest	1,621	-	-	-	-	-	1,621
Advance to other Funds	25,452	-	-	599,347	-	-	624,799
Prepays	116,905	-	-	-	-	-	116,905
Total Assets	\$ 6,981,135	3,414,438	475,182	866,828	2,265,042	1,422,870	15,425,495
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 97,845	75,057	-	-	63,786	12,551	249,239
Accrued liabilities	271,132	-	-	-	-	52,879	324,011
Developer deposits	37,000	-	-	-	-	-	37,000
Advance from other funds	-	-	599,347	-	-	25,452	624,799
Deferred revenue	4,202,118	2,252,867	475,181	-	539,000	982,788	8,451,954
Total Liabilities	<u>4,608,095</u>	<u>2,327,924</u>	<u>1,074,528</u>	<u>-</u>	<u>602,786</u>	<u>1,073,670</u>	<u>9,687,003</u>
Fund balances							
Nonspendable	144,235	-	-	-	-	-	144,235
Restricted	25,745	365,985	-	866,828	-	112,060	1,370,618
Committed	-	720,529	-	-	1,662,256	266,967	2,649,752
Assigned	155,122	-	-	-	-	-	155,122
Unassigned (deficit)	<u>2,047,938</u>	<u>-</u>	<u>(599,346)</u>	<u>-</u>	<u>-</u>	<u>(29,827)</u>	<u>1,418,765</u>
Total Fund Balance (Deficit)	<u>2,373,040</u>	<u>1,086,514</u>	<u>(599,346)</u>	<u>866,828</u>	<u>1,662,256</u>	<u>349,200</u>	<u>5,738,492</u>
Total Liabilities and Fund Balance	\$ 6,981,135	3,414,438	475,182	866,828	2,265,042	1,422,870	

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 (see Note II.A)	27,015,319
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	
Other long-term assets are not available to pay for current period expenditures and are deferred	14,294
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 (See Note II.A)	(12,259,727)
Net Position of Governmental Funds	\$ 20,508,378

Village of Elm Grove

Governmental Funds
Statement of Revenue, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012

	General Fund	Special Revenue Sewer Fund	Special Revenue TID #2 Fund	Debt Service Fund	5 Year Capital Projects Fund	Nonmajor Governmental Funds	Totals
Revenues							
Taxes	\$ 3,719,690	1,580,000	341,594	-	459,195	734,510	6,834,989
Intergovernmental revenues	835,278	75,172	13,420	-	8,000	32,269	964,139
Licenses and permits	214,648	-	-	-	-	-	214,648
Fines, forfeitures and penalties	159,019	-	-	-	-	-	159,019
Public charges for services	678,556	828,266	-	-	-	595,688	2,102,510
Commercial revenues	162,499	4,401	-	1,760	16,454	43,160	228,274
Total Revenues	<u>5,769,690</u>	<u>2,487,839</u>	<u>355,014</u>	<u>1,760</u>	<u>483,649</u>	<u>1,405,627</u>	<u>10,503,579</u>
Expenditures							
Current							
General government	1,214,465	-	14,220	-	-	-	1,228,685
Public Safety	2,848,006	-	-	-	-	290,135	3,138,141
Health and sanitation	449,467	1,956,144	-	-	-	428,840	2,834,451
Highway and transportation	887,923	-	-	-	-	-	887,923
Library	-	-	-	-	-	429,026	429,026
Park and recreation	210,244	-	-	-	-	-	210,244
Capital outlay	32,238	-	-	-	599,849	33,019	665,106
Debt service							
Principal	-	-	-	960,000	-	-	960,000
Interest	-	-	701	149,415	-	-	150,116
Debt Issuance Costs	-	-	-	71,333	-	-	71,333
Total Expenditures	<u>5,642,343</u>	<u>1,956,144</u>	<u>14,921</u>	<u>1,180,748</u>	<u>599,849</u>	<u>1,181,020</u>	<u>10,575,025</u>
Excess of revenues over (under) expenditures	<u>127,347</u>	<u>531,695</u>	<u>340,093</u>	<u>(1,178,988)</u>	<u>(116,200)</u>	<u>224,607</u>	<u>(71,446)</u>
OTHER FINANCING SOURCES (USES)							
Sale of village assets	-	-	-	-	44,792	-	44,792
Transfers in	-	-	-	1,211,484	381,460	243,438	1,836,382
Transfers out	(145,000)	(467,057)	(344,383)	-	-	(879,942)	(1,836,382)
Refunding bonds issued	-	-	-	9,450,000	-	-	9,450,000
Premium on refunding bonds	-	-	-	225,482	-	-	225,482
Discount on refunding bonds	-	-	-	(53,873)	-	-	(53,873)
Payment to refunded bond escrow agent	-	-	-	(9,651,410)	-	-	(9,651,410)
Total Other Financing Sources (Uses)	<u>(145,000)</u>	<u>(467,057)</u>	<u>(344,383)</u>	<u>1,181,683</u>	<u>426,252</u>	<u>(636,504)</u>	<u>14,991</u>
Extraordinary Item							
Lawsuit settlement	-	-	-	-	-	1,250,000	1,250,000
Net change in fund balances	(17,653)	64,638	(4,290)	2,695	310,052	838,103	1,193,545
FUND BALANCES (DEFICIT) -							
Beginning of Year	<u>2,390,693</u>	<u>1,021,876</u>	<u>(595,056)</u>	<u>864,133</u>	<u>1,352,204</u>	<u>(488,903)</u>	<u>4,544,947</u>
FUND BALANCES (DEFICIT) -							
END OF YEAR	<u>\$ 2,373,040</u>	<u>1,086,514</u>	<u>(599,346)</u>	<u>866,828</u>	<u>1,662,256</u>	<u>349,200</u>	<u>5,738,492</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, 2012

Net Change in Fund Balances-Total Governmental Funds	\$ 1,193,545
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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	665,106
Capital assets reported as current expenditures but capitalized	117,990
Capital assets donated not recognized in fund financial statements	
Some items reported as capital outlay were not capitalized	(79,290)
Depreciation is reported in the government-wide statements	(1,007,494)
Net book value of assets retired	(45,138)

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	(915)
Public safety emergency medical service fees	1,537

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 position.

Debt Issued	(9,450,000)
Principal retired	10,030,000

Government funds report premiums and discounts associated with the issuance of long-term debt as other financing sources and uses but these items are amortized over the life of the debt issue on the Statement of Activities. Similarly, debt issuance costs and losses on refundings of debt are recorded as expenditures in the governmental funds but amortized over the life of the debt issue in the Statement of Activities.

Issuance cost on refunding debt	71,333
Premium on refunding debt	(225,482)
Discount on refunding debt	53,873
Loss on refunding debt	581,410
Amortization of debt issuance costs	(11,080)
Amortization of premiums	16,106
Amortization of discounts	(3,848)
Amortization of loss on refunding debt	(41,529)

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	17,575
Compensated absences	3,035
Benefit agreements	75,260

Change in Net Position of Governmental Activities-Statement of Activities	<u>\$ 1,961,994</u>
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See accompanying notes to financial statements.

VILLAGE OF ELM GROVE
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2012

	<u>Agency Tax Collection Fund</u>
ASSETS	
Cash and temporary investments	\$ 7,758,533
Taxes receivable	<u>5,897,477</u>
TOTAL ASSETS	<u>\$ 13,656,010</u>
LIABILITIES	
Due to other taxing units	<u>\$ 13,656,010</u>

See accompanying notes to financial statements.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 June 2011, the GASB issued statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The Village made the decision to implement this standard effective January 1, 2012.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Governmental-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The 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, net position/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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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).

Tax Increment District #2 – Special Revenue Fund – used to account for and report grants and local revenues legally restricted or committed to supporting expenditures outlined in the TIF project plan.

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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements (continued)

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
Library Gift

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 (Water TIF Project #2)
Stormwater

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 position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned 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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements

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

Property taxes are recorded in the year levied as receivables and deferred 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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION 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, 2012, 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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION 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 - 2012 tax roll:

Lien date and levy date	December, 2012
Tax bills mailed	December, 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due to County	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax settlement:	
First settlement	January 15, 2013
Second settlement	February 20, 2013
Final settlement	August 20, 2013
Tax deed by County – 2011 delinquent real estate taxes	October, 2015

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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Position.

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 Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. Capital Assets (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, 2012 for all Village employees that would be due upon termination totals \$235,608.

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, 2012 for all Village employees is \$178,175.

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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION 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 (plus any premiums) are 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. Refer to Note V.C. on commitments and contingencies.

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 appealed due to the court's failure to award legal fees and the contractor has counter appealed. The Village prevailed in this appeal and was awarded \$1,250,000, recorded as an 'other financing source' in the Statement of Revenues, Expenditures and Changes in Fund Balance. Legal and administrative costs incurred in conjunction with this lawsuit had been advanced from the general fund. The Village had increased its stormwater utility fee for repayment of this advancement over an approximate 20 year period. With the settlement of this appeal the Village has repaid the advancement, returned funds to the stormwater utility fund and capital fund, and the utility fee beginning in 2013 was reduced.

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, 2012

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

9. Equity Classifications

Government–Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances 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 position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION 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 15-25% 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. The unassigned fund balance at December 31, 2012 is 35%, mainly attributed to the payback of funds advanced for legal fees in the contractor lawsuit and above the targeted level. The village will be evaluating this level and considering use of these funds as advancement to the TIF #2 water project or another capital project as an alternative to outside financing.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

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

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

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

Capital assets, net of accumulated depreciation \$ 27,015,319

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	\$ 11,350,000
Deferred Premium on refunding bonds	209,376
Deferred Discount on refunding bonds	(50,025)
Deferred Charge on refunding bonds	(539,881)
Unamortized debt issue costs	(88,682)
Compensated Absences	417,940
Benefit Agreements Payable	871,210
Accrued Interest	<u>89,789</u>
Combined Adjustment for Long-term Liabilities	\$ <u>12,259,727</u>

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The Village adopted annual individual fund budgets for all governmental funds except the library gift fund , the stormwater project capital fund and municipal water project TIF #2 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 2012 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, 2012

NOTE III - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Tax Increment District #2	\$ 650	\$ 14,921	\$ 14,271
Water Fund - TID #2	-	29,827	29,827

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 \$599,346 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 – Municipal Water TIF # 2 Fund

- The Capital Project Fund – Municipal Water TIF #2 Fund has a deficit balance of \$29,827 which has been temporarily financed by the General Fund. The Village amended its TIF plan in 2012 to include the construction of a limited municipal water system within the district to provide water to a new development and other interested property owners. The estimated cost of the water project is \$850,000. When a final design is completed and project costs identified the Village will consider possible funding sources including internal financing by the general fund. This is expected to be determined in early 2013.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

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	13,319,695	13,458,640	Custodial Credit
Certificates of Deposit	2,630,904	2,630,904	Custodial Credit
LGIP	<u>2,886,646</u>	<u>2,886,646</u>	Credit Risk
Total Cash and Investments	<u>\$ 18,838,190</u>	<u>\$ 18,976,190</u>	

Reconciliation to financial statements	
Per statement of net assets	
Unrestricted cash and investments	\$ 11,079,657
Per statement of net assets-Fiduciary Funds	
Agency	<u>7,758,533</u>
Total Cash and Investments	<u>\$ 18,838,190</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The Village maintains various collateral agreements with its banks. At December 31, 2012 the banks pledged various governmental securities in the amount of \$13,902,267 to secure the Village's deposits.

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

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, 2012, \$13,160,618 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	15,189
Uninsured and collateral held by the pledging financial institutions trust department or agent not in the Village's name		<u>13,145,429</u>
Total	\$	<u><u>13,160,618</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 Risk

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.

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, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

B. RECEIVABLES

Receivables as of year end for the Village's funds, including an allowance for uncollectible accounts, are detailed on the governmental fund balance sheet and the statement of net position. At this time all are expected to be collected within one year.

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 and user fees receivable for subsequent year	\$ -	\$ 8,396,829	\$ 8,396,829
Subsequent period prepayments	-	40,831	40,831
Other receivables not yet due	<u>14,294</u>	<u>-</u>	<u>14,294</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 14,294</u>	<u>\$ 8,437,660</u>	<u>\$ 8,451,954</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital Assets not being Depreciated:</u>				
Land and Improvements	\$ 7,791,413	\$ -	\$ -	\$ 7,791,413
Construction in Progress	79,186	-	(79,186)	-
Total Capital Assets not being Depreciated	<u>\$ 7,870,599</u>	<u>-</u>	<u>(79,186)</u>	<u>7,791,413</u>
 <u>Other Capital Assets</u>				
Land Improvements	\$ 336,619	\$ 18,102	\$ (17,390)	\$ 337,331
Buildings and Improvements	5,911,859	126,981	(62,358)	5,976,482
Machinery and Equipment	5,430,360	432,272	(207,794)	5,654,838
Infrastructure	22,137,664	205,637	(30,808)	22,312,493
Total Capital Assets being Depreciated	<u>\$ 33,816,502</u>	<u>\$ 782,992</u>	<u>\$ (318,350)</u>	<u>\$ 34,281,144</u>
 Total Capital Assets	 <u>\$ 41,687,101</u>	 <u>\$ 782,992</u>	 <u>\$ (397,536)</u>	 <u>\$ 42,072,557</u>
 <u>Less Accumulated Depreciation</u>				
Land Improvements	\$ (136,156)	\$ (14,610)	\$ 7,825	\$ (142,941)
Buildings and Improvements	(2,972,605)	(125,471)	32,136	(3,065,940)
Machinery and Equipment	(3,150,523)	(356,089)	202,863	(3,303,749)
Infrastructure	(8,063,672)	(511,324)	30,388	(8,544,608)
Total Accumulated Depreciation	<u>\$ (14,322,956)</u>	<u>\$ (1,007,494)</u>	<u>\$ 273,212</u>	<u>\$ (15,057,238)</u>
 Net Capital Assets	 <u>\$ 27,364,145</u>	 <u>\$ (224,502)</u>	 <u>\$ (124,324)</u>	 <u>\$ 27,015,319</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 159,816
Public Safety	187,021
Health and Sanitation	191,996
Highway and Transportaiton	379,660
Library	10,363
Park and Recreation	78,638
Total Depreciation Expense	<u>\$ 1,007,494</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

D. INTERFUND RECEIVABLES/PAYABLES, TRANSFERS, AND ADVANCES

For the Statement of Net Position, 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, 2012:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service Fund	Sewer Fund	\$ 467,057	Debt service
	Stormwater Fund	400,044	Debt service
	TID #2 Fund	344,383	Debt service
Five Year Capital Project Fund	General Fund	145,000	Capital projects
	Stormwater Fund	146,500	Capital projects
	Stormwater Project Fund	89,960	Capital project
Stormwater Project Fund	Stormwater Operations	60,675	Increased charge
Stormwater Fund	Stormwater Project Fund	<u>182,763</u>	Repayment of funds
		<u>\$ 1,836,382</u>	

The transfers above were authorized in the 2012 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 had advanced funds to the Stormwater Project fund for expenditures in conjunction with the contractor lawsuit regarding an alleged change in condition. The December 31, 2011 advance of \$826,872 was repaid in 2012.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

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

Advances (continued)

During 2012 the Village amended its tax increment district #2. As part of the amendment the village will be constructing a limited municipal water system. The village is currently working on design of the system and has incurred \$29,872 in expenditures of which \$25,452 was advanced from the general fund.

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 2012 interest of \$701 was accrued at a rate of .13%. The total advanced as of December 31, 2012 was \$599,347.

No repayment plans have been established for the advances noted above.

E. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2012, was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>1/1/2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2012</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities					
Bonds/Notes Payable					
General obligation debt	\$ 11,930,000	\$ 9,450,000	\$ 10,030,000	\$ 11,350,000	\$ 850,000
Unamortized loss on refunding debt		(581,410)	41,529	(539,881)	(41,529)
Unamortized premium		225,482	16,106	209,376	16,106
Unamortized discount	<u>-</u>	<u>(53,873)</u>	<u>3,848</u>	<u>(50,025)</u>	<u>(3,848)</u>
Total bonds/notes payable	<u>11,930,000</u>	<u>9,040,199</u>	<u>10,091,483</u>	<u>10,969,470</u>	<u>820,729</u>
Other Liabilities					
Vested compensated absences	420,975	210,821	213,856	417,940	196,556
Benefit agreements payable	<u>946,470</u>	<u>-</u>	<u>75,260</u>	<u>871,210</u>	<u>39,936</u>
	<u>\$ 13,297,445</u>	<u>9,251,020</u>	<u>10,380,599</u>	<u>12,258,620</u>	<u>1,057,221</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

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, 2012, was \$50.6 million. Total general obligation debt outstanding at year end was \$11.350 million.

Type	Date of Issue	Interest Rate	Principal Due	Interest Payable	Original Indebtedness	Balance 12/31/2012
General Obligation Refunding Bonds	2010	0.5-1.9%	10/1/11-16	4/1 & 10/1	\$2,115,000	\$1,190,000
General Obligation Refunding Bonds	2012	1.0-2.25%	08/1/12-25	2/1 & 8/1	9,450,000	9,280,000
Stormwater Improvement Bonds	2003	3.1-4.4%	12/1/06-23	6/1 & 12/1	4,350,000	485,000
Stormwater Improvement Bonds	2005	3.35-4.2%	03/1/08-25	3/1 & 9/1	7,235,000	395,000
						<u>\$ 11,350,000</u>

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

Year	Principal	Interest	Total	Balance Outstanding 12/31
2012				\$ 11,350,000
2013	\$ 850,000	235,619	1,085,619	10,500,000
2014	880,000	215,046	1,095,046	9,620,000
2015	855,000	197,076	1,052,076	8,765,000
2016	925,000	181,626	1,106,626	7,840,000
2017	725,000	163,391	888,391	7,115,000
2018-2022	4,395,000	577,956	4,972,956	2,720,000
2023-2025	2,720,000	118,090	2,838,090	-
	<u>\$ 11,350,000</u>	<u>1,688,804</u>	<u>13,038,804</u>	

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

E. LONG-TERM OBLIGATIONS (continued)

2012 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. Those securities were deposited in a irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result the bonds are considered to be defeased and the liability for those bonds have been removed from these financial statements.

The cash flow requirements on the bonds prior to the refunding were \$12,357,896 from 2012 through 2025. The cash flow requirements on the stormwater bonds after the refunding are \$11,144,583 from 2012 through 2025. 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 \$1,083,686.

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 represent the continuation of health insurance for two retired police officers. The resolution of a court settlement with a former employee injured while on duty as a public safety officer determined that the village provide 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. Under special termination agreements the Village had two employees which were provided health insurance coverage until reaching Medicare eligibility. Both former employees have met the eligibility requirement and the Village has no further liability for their health insurance.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

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 2012 was \$121,789. Below are the estimated revenues for years 2013-2017.

<u>Year</u>	
2013	\$ 126,135
2014	130,615
2015	136,621
2016	144,164
2017	149,316
	<u>\$ 686,851</u>

G. NET POSITION/FUND BALANCES

Net position reported on the Government Wide Statement of Net Position at December 31, 2012 include the following:

Net investment in capital assets	
Land	\$ 7,791,413
Other capital assets, net of accumulated depreciation	19,223,906
Less: related long-term debt outstanding, less any unspent portion	<u>(10,160,000)</u>
Total Net Investment in Capital Assets	<u>16,855,319</u>
Restricted for debt service	543,678
Restricted for donor specified purpose	79,547
Restricted for Federal Asset Program	3,745
Restricted for library	18,701
Restricted for State Act 102 funding	35,812
Unrestricted	<u>2,971,576</u>
Total Governmental Activities Net Position	<u>\$ 20,508,378</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCES (continued)

Governmental fund balances reported on the fund financial statements as of December 31, 2012 include the following:

Nonspendable

General Fund

Prepaid Items	\$ 116,905
Unpaid Prior Year Personal Property Taxes	1,878
Advance to Municipal Water TIF #2 Fund	25,452
	\$ 144,235

Restricted

General Fund

Donor Specified	\$ 22,000
Federal Asset Program	3,745

Sewer Fund

Debt service	365,985
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Debt Service Fund

Debt service	866,828
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Library Fund

Library	18,701
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Emergency Medical Service Fund

State ACT 102 funding	35,812
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Library Gift Fund

Donor Specified	57,547
	\$ 1,370,618

Committed

Capital Projects Fund

Capital Projects	\$ 1,662,256
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Sewer Fund

Sewer Operations and Infrastructure	720,529
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Stormwater Fund

Stormwater Operations and Infrastructure	236,036
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Emergency Medical Service Fund

Emergency Medical Service	30,931
	\$ 2,649,752

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE IV - DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCES (continued)

Assigned

General Fund

Donor Specific Purpose	\$	18,640
Funds for Fire Department Events		1,482
2013 Budget Appropriation		135,000
	\$	<u>155,122</u>

Unassigned

General Fund	\$	2,047,938
TID # 2 (deficit)		(599,346)
Municipal Water TIF #2 Project Fund (deficit)		(29,827)
	\$	<u>1,418,765</u>

Total Government Fund Balance	\$	<u>5,738,492</u>
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VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

NOTE V - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible Village of Elm Grove employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, covered employees in the General category were 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) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

Employee Employer

General 5.9% 5.9%

Executives & Elected Officials 7.05% 7.05%

Protective with Social Security 5.9% 9.0%

The payroll for Village employees covered by the system for the year ended December 31, 2012 was \$2,840,784; the employer's total payroll was \$3,258,794. The total required contribution for the year ended December 31, 2012 was \$466,016, or 16.41% of covered payroll. Of this contribution, general employees, not covered under a collective bargaining agreement, paid \$51,167, the Village paid the remainder of \$414,849. The Village had contracts with its public works and dispatch employees that expired on December 31, 2012. Beginning in 2013 these employees will begin to pay the employee required contribution. Total contributions for the years ended December 31, 2011 and 2010 were \$451,475 and \$427,885 respectively, equal to the required contributions for each year.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2012

NOTE V - OTHER INFORMATION

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 are 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.

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, 2012.

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 2012 the liability was limited to \$10,500 for employees with single coverage and \$18,500 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 2012 the Village had a potential liability of \$612,500 and incurred claims of \$112,635, slightly above 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, 2012

NOTE V - OTHER INFORMATION

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, 2012, are not likely to have a material adverse impact on the Village's financial position or operation.

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 ruled in the Village's favor but did not grant reimbursement for legal fees. The Village appealed the judgment in an effort to recover legal cost and was successful. The Village was awarded \$1,250,000 in legal fees during 2012. This amount is recorded as an "Extraordinary Item" in the government statements. The village was able to payback its internal advancement from the general fund for the funding of these legal costs.

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. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statement No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 3,719,690	\$ 3,719,690	\$ 3,719,690	\$ -
	<u>3,719,690</u>	<u>3,719,690</u>	<u>3,719,690</u>	<u>-</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	190,375	190,375	190,377	2
Fire insurance dues	29,000	29,000	29,568	568
State and federal aids		-		
Transportation aids	514,485	514,485	514,489	4
Exempt computer aid	13,500	13,500	13,597	97
Public safety grants	6,025	6,025	9,531	3,506
Miscellaneous state aid	22,000	22,000	25,629	3,629
Elmbrook Schools-Public Safety	-	-	7,633	7,633
Waukesha County Grants - Recycling	39,850	39,850	42,119	2,269
	<u>815,235</u>	<u>815,235</u>	<u>832,943</u>	<u>17,708</u>
LICENSES AND PERMITS				
Licenses	11,425	11,425	15,338	3,913
Cable TV franchise fees	58,000	58,000	61,966	3,966
Permits	91,350	91,350	137,344	45,994
	<u>160,775</u>	<u>160,775</u>	<u>214,648</u>	<u>53,873</u>
FINES, FORFEITURES AND PENALTIES				
Court fines	202,300	202,300	159,019	(43,281)
	<u>202,300</u>	<u>202,300</u>	<u>159,019</u>	<u>(43,281)</u>
PUBLIC CHARGES FOR SERVICES				
General government	5,850	5,850	5,073	(777)
Protection of persons and property	4,500	4,500	5,860	1,360
Dog and cat license fees	4,750	4,750	4,676	(74)
Leisure activities				
Swim team	10,585	10,585	11,731	1,146
Swimming lessons	24,115	24,115	22,588	(1,527)
Swimming fees	43,065	43,065	41,965	(1,100)
Pool rental	5,750	5,750	4,044	(1,706)
Tennis team	7,525	7,525	5,137	(2,388)
Tennis lessons	7,415	7,415	9,466	2,051
Tennis fees	4,880	4,880	2,617	(2,263)

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES (continued)				
Summer recreation and children's activities	\$ 17,765	\$ 17,765	\$ 17,613	\$ (152)
Baseball	11,750	11,750	9,206	(2,544)
Summer sports programs	6,060	6,060	4,510	(1,550)
Aerobic/exercise	45,500	45,500	34,385	(11,115)
Soda sales	12,000	12,000	9,359	(2,641)
Picnic reservations	3,600	3,600	4,172	572
Adult programs	2,000	2,000	1,525	(475)
Shared Programs	5,000	5,000	2,618	(2,382)
Miscellaneous recreation	1,615	1,615	1,495	(120)
Public works				
Solid waste user charge	459,750	459,750	460,932	1,182
Miscellaneous public works	4,610	4,610	19,584	14,974
	<u>688,085</u>	<u>688,085</u>	<u>678,556</u>	<u>(9,529)</u>
COMMERCIAL REVENUES				
Investment income	12,600	12,600	14,106	1,506
Cell tower lease revenue	116,000	116,000	121,788	5,788
Workers Compensation Reimbursement	-	-	427	427
Miscellaneous revenue	525	525	435	(90)
	<u>129,125</u>	<u>129,125</u>	<u>136,756</u>	<u>7,631</u>
TOTAL REVENUES ON BUDGETARY BASIS	<u>\$ 5,715,210</u>	<u>\$ 5,715,210</u>	5,741,612	<u>\$ 26,402</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Intergovernmental			2,335	
Commercial revenue			25,743	
TOTAL REVENUES			<u>\$ 5,769,690</u>	

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)
 Budgetary Comparison Schedule (Non-GAAP)
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT				
General Government				
Salaries and wages	\$ 306,450	\$ 306,450	\$ 302,383	\$ 4,067
Fringe benefits	137,575	117,575	113,366	4,209
Legal	25,000	15,000	13,960	1,040
Attorney's retainer	12,325	12,325	12,317	8
Election	10,830	10,830	20,757	(9,927)
Office supplies	5,500	5,500	4,644	856
Printing, publishing, and postage	14,000	14,000	16,868	(2,868)
Utilities	108,000	108,000	94,401	13,599
Contracted services				
Tax roll preparation	4,500	4,500	4,574	(74)
Weights and measures	800	800	800	-
Audit and accounting	12,000	12,000	11,459	541
Payroll service	6,400	6,400	6,061	339
Assessor services	101,000	101,000	100,716	284
Elmbrook humane society	8,925	8,925	8,925	-
Wildlife management	5,000	5,000	8,702	(3,702)
Computer maintenance	46,000	46,000	46,071	(71)
Office equipment maintenance	7,255	7,255	7,975	(720)
Building cleaning	27,625	27,625	24,400	3,225
Internet expense	12,300	12,300	12,889	(589)
Zoning administrative	2,500	2,500	3,662	(1,162)
GIS expense	5,000	5,000	4,802	198
Insurance	206,350	206,350	200,998	5,352
Training, dues, memberships	10,000	10,000	9,856	144
License expense	2,000	2,000	1,071	929
Community relations	5,000	5,000	3,840	1,160
July 4th celebration	14,000	14,000	14,160	(160)
Building maintenance	18,000	18,000	28,344	(10,344)
Write-off delinquent taxes		-	2,395	(2,395)
Miscellaneous	4,500	4,500	7,251	(2,751)
	<u>1,118,835</u>	<u>1,088,835</u>	<u>1,087,647</u>	<u>1,188</u>
Municipal Court				
Salaries and wages	43,225	43,225	42,670	555
Fringe benefits	5,685	5,685	5,594	91
Office supplies and operating expenses	3,000	3,000	4,051	(1,051)
Miscellaneous	4,200	4,200	4,486	(286)
Judicial education	1,750	1,750	1,159	591
Legal	35,000	35,000	56,681	(21,681)
	<u>92,860</u>	<u>92,860</u>	<u>114,641</u>	<u>(21,781)</u>
Total General Government	<u>1,211,695</u>	<u>1,181,695</u>	<u>1,202,288</u>	<u>(20,593)</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)
 Budgetary Comparison Schedule (Non-GAAP)
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Public Safety				
Police Department				
Salaries and wages	\$ 1,307,350	\$ 1,307,350	\$ 1,317,421	\$ (10,071)
Fringe benefits	769,525	691,525	695,427	(3,902)
Uniform/mileage	8,800	8,800	6,708	2,092
Equipment maintenance	58,800	58,800	56,484	2,316
Memberships and training	11,900	11,900	15,724	(3,824)
Sundry	12,800	12,800	8,443	4,357
	<u>2,169,175</u>	<u>2,091,175</u>	<u>2,100,207</u>	<u>(9,032)</u>
Dispatch Department				
Salaries and wages	261,200	261,200	255,486	5,714
Fringe benefits	132,275	107,275	103,610	3,665
Uniform/mileage	1,900	1,900	800	1,100
Communications maintenance	50,600	50,600	44,570	6,030
Memberships and training	2,600	2,600	669	1,931
Sundry	3,250	3,250	3,699	(449)
	<u>451,825</u>	<u>426,825</u>	<u>408,834</u>	<u>17,991</u>
Fire Department				
Wages and paid on call	192,825	192,825	177,214	15,611
Fringe benefits	36,505	36,505	35,654	851
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	20,013	(763)
Communications maintenance	2,250	2,250	2,630	(380)
Memberships, training, prevention	6,300	6,300	5,338	962
	<u>269,805</u>	<u>269,805</u>	<u>253,518</u>	<u>16,287</u>
Inspection				
Building	35,725	35,725	48,129	(12,404)
Electrical	11,800	11,800	13,208	(1,408)
Plumbing	8,500	8,500	12,077	(3,577)
Special	3,500	3,500	807	2,693
	<u>59,525</u>	<u>59,525</u>	<u>74,221</u>	<u>(14,696)</u>
Total Public Safety	<u>2,950,330</u>	<u>2,847,330</u>	<u>2,836,780</u>	<u>10,550</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)
 Budgetary Comparison Schedule (Non-GAAP)
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Health and Sanitation				
Salaries and wages	\$ 52,700	\$ 52,700	\$ 47,090	\$ 5,610
Fringe benefits	22,900	22,900	18,920	3,980
Waste collection	238,000	238,000	238,172	(172)
Recycling collections	113,500	113,500	110,760	2,740
Brush disposal	32,000	32,000	33,727	(1,727)
Household hazardous waste disposal	650	650	798	(148)
Total Health and Sanitation	459,750	459,750	449,467	10,283
Highway and Transportation				
Department of Public Works				
Salaries and wages	305,500	305,500	307,603	(2,103)
Fringe benefits	178,850	166,850	145,774	21,076
Utilities	20,500	20,500	13,943	6,557
Pavement maintenance	147,000	147,000	150,287	(3,287)
Snow and ice control	27,000	27,000	22,275	4,725
Building and ground maintenance	7,000	7,000	4,190	2,810
Traffic control	33,000	33,000	38,953	(5,953)
Equipment maintenance	68,000	68,000	65,590	2,410
Sundry	8,000	8,000	6,278	1,722
Engineering	5,000	5,000	12,875	(7,875)
Total Highway, Transportation, and Forestry	799,850	787,850	767,768	20,082
Forestry				
Salaries and wages	60,250	60,250	59,965	285
Fringe benefits	14,905	14,905	12,505	2,400
Forestry tree care	43,000	43,000	38,856	4,144
Elm tree treatment	2,500	2,500	1,861	639
Landscaping	5,000	5,000	6,331	(1,331)
Miscellaneous	700	700	637	63
Total Highway, Transportation, and Forestry	126,355	126,355	120,155	6,200
Total Highway, Transportation, and Forestry	926,205	914,205	887,923	26,282

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP) Budgetary Comparison Schedule (Non-GAAP) For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Park and Recreation				
Salaries and wages	\$ 97,250	\$ 97,250	\$ 97,405	\$ (155)
Fringe benefits	15,630	15,630	13,672	1,958
Instructor fees	33,100	33,100	25,385	7,715
Operating expenses and utilities	36,700	36,700	39,833	(3,133)
Printing and miscellaneous	9,675	9,675	9,737	(62)
Baseball program	4,750	4,750	5,703	(953)
Swimming program	3,500	3,500	2,927	573
Tennis program	1,000	1,000	1,027	(27)
Soda/snack	8,900	8,900	5,892	3,008
Summer recreation	4,500	4,500	4,869	(369)
Total Park and Recreation	<u>215,005</u>	<u>215,005</u>	<u>206,450</u>	<u>8,555</u>
TOTAL CURRENT	<u>5,762,985</u>	<u>5,617,985</u>	<u>5,582,908</u>	<u>35,077</u>
Contingency	<u>135,000</u>	<u>135,000</u>	-	<u>135,000</u>
Total Contingency	<u>135,000</u>	<u>135,000</u>	-	<u>135,000</u>
Transfer out				
Capital Project Fund	-	<u>145,000</u>	<u>145,000</u>	-
	-	<u>145,000</u>	<u>145,000</u>	-
Capital Outlay				
Police- Vests	6,000	6,000	5,312	688
Street Sign Inventory Software	6,900	6,900	6,900	-
Total New Equipment	<u>12,900</u>	<u>12,900</u>	<u>12,212</u>	<u>688</u>
TOTAL EXPENDITURES AND TRANSFERS ON BUDGETARY BASIS	<u>\$ 5,910,885</u>	<u>\$ 5,910,885</u>	5,740,120	<u>\$ 170,765</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Long-term accrued health benefits for former police chief charged to liability			6,250	
Expenditures charged to designated accounts				
General Government			12,177	
Public Safety			4,976	
Park and Recreation			3,794	
Capital Outlay			<u>20,026</u>	
TOTAL EXPENDITURES AND TRANSFERS			<u>\$ 5,787,343</u>	

VILLAGE OF ELM GROVE

Sewer Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,580,000	\$ 1,580,000	\$ 1,580,000	\$ -
Intergovernmental revenues	-	70,000	75,172	5,172
Public charges for services - user and connection charge	821,595	821,595	828,266	6,671
Commercial revenues				
Investment income	5,000	5,000	4,358	(642)
Miscellaneous Income	-	-	43	43
Total Revenues	<u>2,406,595</u>	<u>2,476,595</u>	<u>2,487,839</u>	<u>11,244</u>
EXPENDITURES				
Current - health and sanitation				
Metropolitan sewer and capital cost recovery charges	1,767,540	1,767,540	1,764,732	2,808
Inspection and engineering	15,000	15,000	5,901	9,099
Legal, audit, insurance	20,500	20,500	18,614	1,886
Administrative	55,000	55,000	55,380	(380)
Miscellaneous	6,500	6,500	1,874	4,626
Infrastructure repair and maintenance	60,000	130,000	109,643	20,357
Capital outlay				
Equipment	<u>15,000</u>	<u>15,000</u>	-	<u>15,000</u>
Total Expenditures	<u>1,939,540</u>	<u>2,009,540</u>	<u>1,956,144</u>	<u>53,396</u>
Excess of revenues over expenditures	467,055	467,055	531,695	64,640
OTHER FINANCING USES				
Transfer out				
Debt service fund	<u>(467,055)</u>	<u>(467,055)</u>	<u>(467,057)</u>	<u>(2)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	64,638	<u>\$ 64,638</u>
FUND BALANCE - Beginning of Year			<u>1,021,876</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,086,514</u>	

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

VILLAGE OF ELM GROVE

Tax Increment District #2
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes- TIF Increment	\$ 350,000	\$ 350,000	\$ 341,594	\$ (8,406)
Intergovernmental revenues	10,000	10,000	13,420	3,420
Total Revenues	<u>360,000</u>	<u>360,000</u>	<u>355,014</u>	<u>(4,986)</u>
EXPENDITURES				
Current - general government				
Administrative	150	150	14,220	(14,070)
Debt service - Interest of advances	500	500	701	(201)
Total Expenditures	<u>650</u>	<u>650</u>	<u>14,921</u>	<u>(14,271)</u>
Excess of revenues over (under) expenditures	359,350	359,350	340,093	(19,257)
OTHER FINANCING USES				
Transfer out				
Debt service fund	<u>(344,384)</u>	<u>(344,384)</u>	<u>(344,383)</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 14,966</u>	<u>\$ 14,966</u>	(4,290)	<u>\$ (19,258)</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(595,056)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (599,346)</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, 2012

NOTE 1 – BUDGETARY INFORMATION

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 2012 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.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds
 Combining Balance Sheet
 As of December 31, 2012

	Special Revenue Funds				Capital Project Funds		
	Library Fund	EMS Fund	Stormwater Operations Fund	Library Gift Fund	Water Fund TID #2	Stormwater Fund	Total
ASSETS							
Cash and temporary investments	\$ 219,717	\$ 204,030	\$ 488,962	\$ 58,377	\$ -	\$ -	\$ 971,086
Taxes receivable	145,528	81,406	150,750	-	-	-	377,684
Receivables							
Accounts	-	71,712	41,230	-	-	-	112,942
Allowance for Doubtful Accounts	-	(38,842)	-	-	-	-	(38,842)
TOTAL ASSETS	\$ 365,245	\$ 318,306	\$ 680,942	\$ 58,377	\$ -	\$ -	\$ 1,422,870
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 3,465	\$ 3,610	\$ 271	\$ 830	\$ 4,375	\$ -	\$ 12,551
Accrued payroll and related liabilities	6,099	46,780	-	-	-	-	52,879
Advance from other funds	-	-	-	-	25,452	-	25,452
Deferred revenue	336,980	201,173	444,635	-	-	-	982,788
Total Liabilities	<u>346,544</u>	<u>251,563</u>	<u>444,906</u>	<u>830</u>	<u>29,827</u>	<u>-</u>	<u>1,073,670</u>
Fund Balances							
Restricted	18,701	35,812	-	57,547	-	-	112,060
Committed	-	30,931	236,036	-	-	-	266,967
Unassigned	-	-	-	-	(29,827)	-	(29,827)
Total Fund Balances (Deficit)	<u>18,701</u>	<u>66,743</u>	<u>236,036</u>	<u>57,547</u>	<u>(29,827)</u>	<u>-</u>	<u>349,200</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 365,245	\$ 318,306	\$ 680,942	\$ 58,377	\$ -	\$ -	\$ 1,422,870

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 And Changes in Fund Balances
 For the Year Ended December 31, 2012

	Special Revenue Funds			Capital Project Funds			Total
	Library Fund	EMS Fund	Stormwater Operations Fund	Library Gift Fund	Water Fund TID #2	Stormwater Fund	
REVENUES							
Property taxes	\$ 345,225	\$ 191,690	\$ 197,595	\$ -	\$ -	\$ -	\$ 734,510
Intergovernmental revenues	32,269	-	-	-	-	-	32,269
Public charges for services	14,628	102,065	478,995	-	-	-	595,688
Commercial revenues							
Donations	-	35	-	38,178	-	-	38,213
Raffle sales	-	-	-	2,961	-	-	2,961
Investment income	360	415	1,125	86	-	-	1,986
Total Revenues	<u>392,482</u>	<u>294,205</u>	<u>677,715</u>	<u>41,225</u>	<u>-</u>	<u>-</u>	<u>1,405,627</u>
EXPENDITURES							
Current							
Library	391,296	-	-	37,730	-	-	429,026
Public safety- emergency medical service	-	290,135	-	-	-	-	290,135
Health and sanitation	-	-	217,760	-	-	211,080	428,840
Capital outlay	-	3,192	-	-	29,827	-	33,019
Total Expenditures	<u>391,296</u>	<u>293,327</u>	<u>217,760</u>	<u>37,730</u>	<u>29,827</u>	<u>211,080</u>	<u>1,181,020</u>
Excess of revenues over (under) expenditures	1,186	878	459,955	3,495	(29,827)	(211,080)	224,607
OTHER FINANCING SOURCES (USES)							
Transfer In	-	-	182,763	-	-	60,675	243,438
Transfer out	-	-	(607,219)	-	-	(272,723)	(879,942)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(424,456)</u>	<u>-</u>	<u>-</u>	<u>(212,048)</u>	<u>(636,504)</u>
Extraordinary Item							
Settlement of Lawsuit	-	-	-	-	-	1,250,000	1,250,000
Net change in fund balances	1,186	878	35,499	3,495	(29,827)	826,872	838,103
FUND BALANCE (DEFICIT) - Beginning of Year	17,515	65,865	200,537	54,052	-	(826,872)	(488,903)
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 18,701</u>	<u>\$ 66,743</u>	<u>\$ 236,036</u>	<u>\$ 57,547</u>	<u>\$ (29,827)</u>	<u>\$ -</u>	<u>\$ 349,200</u>

VILLAGE OF ELM GROVE

Library Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 345,225	\$ 345,225	\$ 345,225	\$ -
Intergovernmental revenues - crossover lending	33,500	33,500	32,269	(1,231)
Public charges for services	14,000	14,000	14,628	628
Commercial revenues - investment income	300	300	360	60
Total Revenues	<u>393,025</u>	<u>393,025</u>	<u>392,482</u>	<u>(543)</u>
EXPENDITURES				
Current - library				
Salaries and wages	249,200	249,200	251,579	(2,379)
Fringe benefits	63,180	63,180	57,592	5,588
New material and book service	49,275	49,275	48,538	737
Supplies and equipment maintenance	35,125	35,125	32,460	2,665
Sundry	3,745	3,745	1,127	2,618
Total Expenditures	<u>400,525</u>	<u>400,525</u>	<u>391,296</u>	<u>9,229</u>
Net change in fund balances	<u>\$ (7,500)</u>	<u>\$ (7,500)</u>	1,186	<u>\$ 8,686</u>
FUND BALANCE - Beginning of Year			<u>17,515</u>	
FUND BALANCE - END OF YEAR			<u>\$ 18,701</u>	

VILLAGE OF ELM GROVE

Emergency Medical Service Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 191,690	\$ 191,690	\$ 191,690	\$ -
Public charges for services	96,000	96,000	102,065	6,065
Commercial revenues				
Investment income	400	400	415	15
Total Revenues	<u>288,090</u>	<u>288,090</u>	<u>294,170</u>	<u>6,080</u>
EXPENDITURES				
Ambulance				
Wages and paid on call	226,765	226,765	226,458	307
Fringe benefits	36,800	36,800	31,610	5,190
EMT training	3,000	3,000	3,371	(371)
Uniforms	1,000	1,000	436	564
Medical supplies	10,000	10,000	10,658	(658)
Ambulance maintenance	2,000	2,000	3,854	(1,854)
Ambulance communications	1,000	1,000	461	539
Ambulance billing fees	6,725	6,725	5,610	1,115
Miscellaneous	4,400	4,400	4,885	(485)
Capital outlay	1,400	1,400	3,192	(1,792)
Total Expenditures	<u>293,090</u>	<u>293,090</u>	<u>290,535</u>	<u>2,555</u>
Excess of revenues over (under) expenditures	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	3,635	<u>\$ 8,635</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Commercial revenue			35	
Miscellaneous			1,830	
Expenditures charged to designated accounts				
EMS training			<u>4,622</u>	
Net change in fund balance			878	
FUND BALANCE - Beginning of Year			<u>65,865</u>	
FUND BALANCE - END OF YEAR			<u>\$ 66,743</u>	

VILLAGE OF ELM GROVE

Stormwater Operations Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 197,595	\$ 197,595	\$ 197,595	\$ -
Public charges for services	478,600	478,600	478,995	395
Commercial revenues - investment income	1,275	1,275	1,125	(150)
Total Revenues	<u>677,470</u>	<u>677,470</u>	<u>677,715</u>	<u>245</u>
EXPENDITURES				
Current - health and sanitation				
Infrastructure repair and maintenance	60,000	60,000	53,775	6,225
Administrative	155,500	155,500	159,880	(4,380)
Inspection, engineering, audit	14,000	14,000	4,105	9,895
Total Expenditures	<u>229,500</u>	<u>229,500</u>	<u>217,760</u>	<u>11,740</u>
Excess of revenues over (under) expenditures	447,970	447,970	459,955	(11,495)
OTHER FINANCING SOURCES (USES)				
Transfer in				
Stormwater Project Fund	-	182,766	182,763	3
Transfer out				
Debt Service	(400,045)	(400,045)	(400,044)	(1)
Stormwater Project Fund	(60,675)	(60,675)	(60,675)	-
Capital Project Fund	-	(146,500)	(146,500)	-
	<u>(460,720)</u>	<u>(424,454)</u>	<u>(424,456)</u>	<u>2</u>
Net change in fund balance	<u>\$ (12,750)</u>	<u>\$ 23,516</u>	35,499	<u>\$ (11,493)</u>
FUND BALANCE - Beginning of Year			<u>200,537</u>	
FUND BALANCE - END OF YEAR			<u>\$ 236,036</u>	

VILLAGE OF ELM GROVE

Library Gift Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Commercial revenues				
Donations	\$ -	\$ -	\$ 26,878	\$ 26,878
50th Anniversary Donations	-	-	11,300	11,300
50th Anniversary Raffle	-	-	2,961	2,961
Investment Income	-	-	86	86
Total Revenues	<u>-</u>	<u>-</u>	<u>41,225</u>	<u>41,225</u>
EXPENDITURES				
Library Materials	-	-	26,801	26,801
Library Furnishings	-	-	4,885	4,885
50th Anniversary Celebration	-	-	6,044	6,044
	<u>-</u>	<u>-</u>	<u>37,730</u>	<u>37,730</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,495	<u>\$ 3,495</u>
FUND BALANCE - Beginning of Year			<u>54,052</u>	
FUND BALANCE - END OF YEAR			<u>\$ 57,547</u>	

VILLAGE OF ELM GROVE

Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2012

	Budgeted Amounts		Budgetary Fund Actual	Variance with Final Budget	Non-budgetary Fund Actual	Total Actual
	Original	Final				
REVENUES						
Commercial Revenue-investment Income	\$ 1,700	\$ 1,700	\$ 1,760	\$ 60	\$ -	\$ 1,760
Total Revenue	<u>1,700</u>	<u>1,700</u>	<u>1,760</u>	<u>60</u>	<u>-</u>	<u>1,760</u>
EXPENDITURES						
Debt service						
Principal	790,000	790,000	960,000	(170,000)	-	960,000
Interest	423,563	423,563	149,415	274,148	-	149,415
Bond Issuance Costs	-	-	-	-	71,333	71,333
Total Expenditures	<u>1,213,563</u>	<u>1,213,563</u>	<u>1,109,415</u>	<u>104,148</u>	<u>71,333</u>	<u>1,180,748</u>
Excess of revenues over (under) expenditures	(1,211,863)	(1,211,863)	(1,107,655)	104,208	(71,333)	(1,178,988)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Special revenue funds						
Sewer fund	467,055	467,055	467,057	2	-	467,057
Stormwater fund	400,044	400,044	400,044	-	-	400,044
TID # 2	344,384	344,384	344,383	(1)	-	344,383
Refunding bonds issued	-	-	-	-	9,450,000	9,450,000
Premium on refunding bonds	-	-	-	-	225,482	225,482
Discount on refunding bonds	-	-	-	-	(53,873)	(53,873)
Payment to refunded bond escrow agent	-	-	-	-	(9,651,410)	(9,651,410)
Net change in fund balance	<u>\$ (380)</u>	<u>\$ (380)</u>	<u>\$ 103,829</u>	<u>\$ 104,209</u>	<u>\$ (101,134)</u>	<u>2,695</u>
FUND BALANCE - Beginning of Year						<u>864,133</u>
FUND BALANCE - END OF YEAR						<u>\$ 866,828</u>

VILLAGE OF ELM GROVE

5 Year Capital Projects Fund Budgetary Comparison Schedule For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 459,195	\$ 459,195	\$ 459,195	\$ -
Intergovernmental revenue	-	-	8,000	8,000
Commercial revenues				
Donations	-	-	12,285	12,285
Investment income	5,000	5,000	4,169	(831)
Total Revenues	<u>464,195</u>	<u>464,195</u>	<u>483,649</u>	<u>19,454</u>
EXPENDITURES				
Capital outlay				
Equipment	426,375	426,375	352,091	74,284
Building and land improvements	145,000	145,000	148,847	(3,847)
Infrastructure	112,000	112,000	98,911	13,089
Other	8,095	8,095	-	8,095
Total Expenditures	<u>691,470</u>	<u>691,470</u>	<u>599,849</u>	<u>91,621</u>
Excess of revenues over (under) expenditures	(227,275)	(227,275)	(116,200)	111,075
OTHER FINANCING SOURCES				
Sale of village property	-	-	44,792	44,792
Transfer in				
General Fund	-	145,000	145,000	-
Stormwater Fund	-	146,500	146,500	-
Stormwater Project Fund	-	89,960	89,960	-
	<u>-</u>	<u>381,460</u>	<u>426,252</u>	<u>44,792</u>
Net change in fund balance	<u>\$ (227,275)</u>	<u>\$ 154,185</u>	310,052	<u>\$ 155,867</u>
FUND BALANCE - Beginning of Year			<u>1,352,204</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,662,256</u>	

VILLAGE OF ELM GROVE

Stormwater Projects Capital Projects Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Litigation Expense	-	211,080	211,080	-
Interest	-	-	-	-
Total Expenditures	-	211,080	211,080	-
Excess of revenues over (under) expenditures	-	-	(211,080)	-
OTHER FINANCING SOURCES				
Transfer in- Stormwater Utility	60,675	60,675	60,675	-
Transfer out				
Stormwater Utility	-	(182,766)	(182,763)	3
Capital Project Fund	-	(89,960)	(89,960)	-
	<u>60,675</u>	<u>(212,051)</u>	<u>(212,048)</u>	<u>3</u>
EXTRAORDINARY ITEM				
Settlement of Lawsuit	-	1,250,000	1,250,000	-
Net change in fund balances	<u>\$ 60,675</u>	<u>\$ 1,037,949</u>	826,872	<u>\$ 3</u>
FUND BALANCE (Deficit)- Beginning of Year			(826,872)	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

VILLAGE OF ELM GROVE

Water Fund - TID #2
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	-	-	29,827	(29,827)
OTHER FINANCING SOURCES				
Transfer in from General Fund	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(29,827)	<u>\$ (29,827)</u>
FUND BALANCE - Beginning of Year			-	
FUND BALANCE (Deficit) - END OF YEAR			<u>\$ (29,827)</u>	

VILLAGE OF ELM GROVE

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA
2008- 2012 Tax Rolls

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
STATE TAXES	\$ 193,212	\$ 186,685	\$ 180,754	\$ 177,758	\$ 171,697
COUNTY TAXES	1,999,717	2,008,500	2,055,541	2,071,197	2,080,364
LOCAL TAXES					
Property taxes	6,354,735	6,332,600	6,452,095	6,493,395	6,493,395
Tax Incremental Financing Taxes	368,867	477,472	437,809	341,594	475,181
SCHOOL TAXES					
School District of Elmbrook	10,926,768	10,787,930	11,157,001	10,329,265	10,118,648
Vocational Adult and Technical Education District	1,236,784	1,243,443	1,286,917	1,288,931	1,285,302
Total School Taxes	12,163,552	12,031,373	12,443,918	11,618,196	11,403,950
Total General Property Taxes	21,080,083	21,036,630	21,570,117	20,702,140	20,624,587
SPECIAL ASSESSMENTS					
Sewer usage charges	619,744	630,940	671,311	692,314	697,367
Solid waste/recycling	432,028	438,869	439,786	460,862	465,250
Stormwater utility fee	238,600	260,848	302,934	305,026	265,635
Miscellaneous	5,566	4,461	6,224	4,797	20,928
	1,295,938	1,335,118	1,420,255	1,462,999	1,449,180
TOTAL TAX ROLLS	\$ 22,376,021	\$ 22,371,748	\$ 22,990,372	\$ 22,165,139	\$ 22,073,767
VALUATION OF ASSESSABLE PROPERTY					
ASSESSED VALUATION	\$ 1,108,117,800	\$ 1,107,779,097	\$ 1,083,694,700	\$ 1,052,904,300	\$ 1,005,040,900
EQUALIZED VALUATION	\$ 1,138,507,100	\$ 1,100,050,700	\$ 1,065,098,100	\$ 1,047,445,900	\$ 1,011,730,300
RATIO OF ASSESSED TO EQUALIZED	<u>97.33%</u>	<u>100.70%</u>	<u>101.75%</u>	<u>100.52%</u>	<u>99.34%</u>