

2013 Comprehensive Annual Financial Report
For the Year Ending December 31, 2013



Village of Elm Grove, Wisconsin

Village of Elm Grove

Elm Grove, Wisconsin

Comprehensive Annual Financial Report

Including Independent Auditors' Report

As of and for the Year Ended
December 31, 2013

Prepared by
Monica L Hughes Finance Director

Village of Elm Grove
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2013

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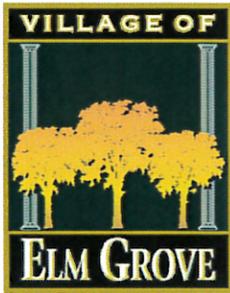
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INTRODUCTORY SECTION



May 19, 2014

To the Village Board and the Citizens of the Village of Elm Grove, Wisconsin:

The Comprehensive Annual Financial Report of the Village of Elm Grove for the year ended December 31, 2013, is hereby submitted. This report consists of management's representations concerning the finances of the Village of Elm Grove ("Village"). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for these representations, management has established and maintained an internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The system of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefit derived. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Baker Tilly Virchow Krause, LLP, a firm of certified public accountants and consultants, have audited the Village's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village for the year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Baker Tilly Virchow Krause, LLP, concluded based upon its audit procedures that the Village of Elm Grove's financial statements for the fiscal year ended December 31, 2013 are fairly presented in conformity with GAAP and rendered an unmodified opinion. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Community Profile

The Village of Elm Grove encompasses an area of 3.26 square miles in eastern Waukesha County. The Village of Elm Grove is bordered by the City of Wauwatosa to the east and the City of Brookfield on the north, south and west. The Village is a fully developed community approximately 10 miles from

downtown Milwaukee. The Village was incorporated in 1955 and has a current population of over 5,900.

Elm Grove operates under a Village Board of Trustees with a manager form of government. The Village Board of Trustees, which consists of the Village President and six Trustees, is elected at large and on a non-partisan basis. Annual elections are held in April. Terms of office are for a two year period but are overlapping so that the village is provided with a continuity of knowledge in the Village's development, business, and legislative matters.

The board is responsible for enacting ordinances, resolutions, regulations and policies governing the Village as well as the appointment of members of various statutory and advisory boards and the Village manager. The manager has the responsibility of administering programs in accordance with policies established by the Village Board and daily management and responsibility of Village operations and personnel. The Village manager also holds the title of Treasurer for the Village.

The Village provides a full range of services including general administration, public safety including police, fire and emergency medical services, sanitation services, the construction and maintenance of streets and related infrastructure, park and recreation activities, a library, cultural events, and economic development. The Village has a 24 hour paid police force consisting of 17 officers, while its fire and emergency medical service provides 24 hour response through paid on call volunteers. In order to provide high quality service in a small community and provide financial flexibility for changing demands the Village has found it beneficial to contract a number of services including; legal, engineering, building inspections and assessments. The Village maintains a sewer system within its boundaries but treatment is provided by the Milwaukee Metropolitan Sewage District. Education is provided through the Elmbrook school district and a number of private institutions.

The annual budget serves as the foundation for the Village's financial planning and control. The Village Board provides guidelines to the manager for the upcoming year. Department budgets are prepared on an annual basis by the department heads beginning in mid summer. After initial review with the manager and finance director, the individual budgets are compiled and a complete budget draft is submitted to the finance committee for review and approval. The finance committee conducts budget workshops during the month of October reviewing the detailed budget and making recommendations. Upon approval it is submitted to the Village board for approval at the November meeting which begins with a public hearing. Throughout the year operations are closely monitored in relation to the adopted budget. Budget to actual comparisons are provided in this report for each individual fund for which an annual budget is adopted.

Factors Affecting Financial Condition

Local Economy

As a suburb located in eastern Waukesha County, Elm Grove is a demographically and economically vital community. The village has historically and continues to be considered a desirable place to reside due to its location, high level of services and schools, and perceived 'quality of life'. While mainly a residential community its close proximity to the City of Milwaukee and its suburban area provide employment opportunities. Unemployment remains lower in Waukesha County communities than other state areas. Personal income and housing values are among the highest in the state.

Financial Planning

The Village Board has maintained a conservative approach to budgeting and operations. The finance committee which includes 3 Trustees and 3 citizen members meet monthly to review financial matters and make recommendations to the Village Board. The committee has a broad base of knowledge in areas of accounting, finance, banking, law, technology, and business ownership. Operations are reviewed for additional revenue opportunities, cost savings, and adherence to Village policies, state statute and accounting standards. The Village has a formal five year capital improvement program to plan for upgrades and replacements of equipment, buildings and infrastructure. It is the Village's policy to optimally fund these needs internally through a five year budget cycle. The Village Board has a historic philosophy of providing high level of needed service while maintaining stability in budgets, taxes and user charges.

Acknowledgements

The Village recognizes its auditors', Baker Tilly Virchow Krause, LLP, for their advice and expertise, which contributed to the report quality and adherence to professional accounting standards. The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Village departments. Credit should also be given to the Village President, Village Board, Finance Committee, and other committees for their support for striving to have the highest standards of professionalism in the management of the Village of Elm Grove.

Respectfully, submitted



David De Angelis,
Village Manager



Monica Hughes
Finance Director

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

Village of Elm Grove, Wisconsin

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term</u>
Neil H. Palmer	Village President	April 2015
George E. Haas	Village Trustee	April 2014
Patty Kujawa	Village Trustee	April 2015
John Meser	Village Trustee	April 2014
Thomas Michalski	Village Trustee	April 2015
Jack Nelson	Village Trustee	April 2015
John Domaszek	Village Trustee	April 2014
W. Timothy Steinle	Municipal Judge	April 2015

Administrators

<u>Name</u>	<u>Title</u>	<u>Term</u>
David De Angelis	Village Manager/ Treasurer	Appointed
Svetlana Foley	Library Director	Appointed
James Gage	Chief of Police	Appointed
Casey Griffiths	Zoning Administrator	Appointed
Monica L. Hughes	Finance Director	Appointed
Open	Recreation Director	Appointed
Richard Paul Jr.	Director of Public Works	Appointed
John Robinson	Director of Emergency Medical Services	Appointed
William Selzer	Fire Chief	Appointed
Mary Stredni	Village Clerk/Deputy Treasurer	Appointed
Hector de la Mora	Village Attorney	Contracted
Independent Inspections	Building Inspector	Contracted
Ruekert & Mielke	Village Engineering	Contracted

Officials Issuing Report:

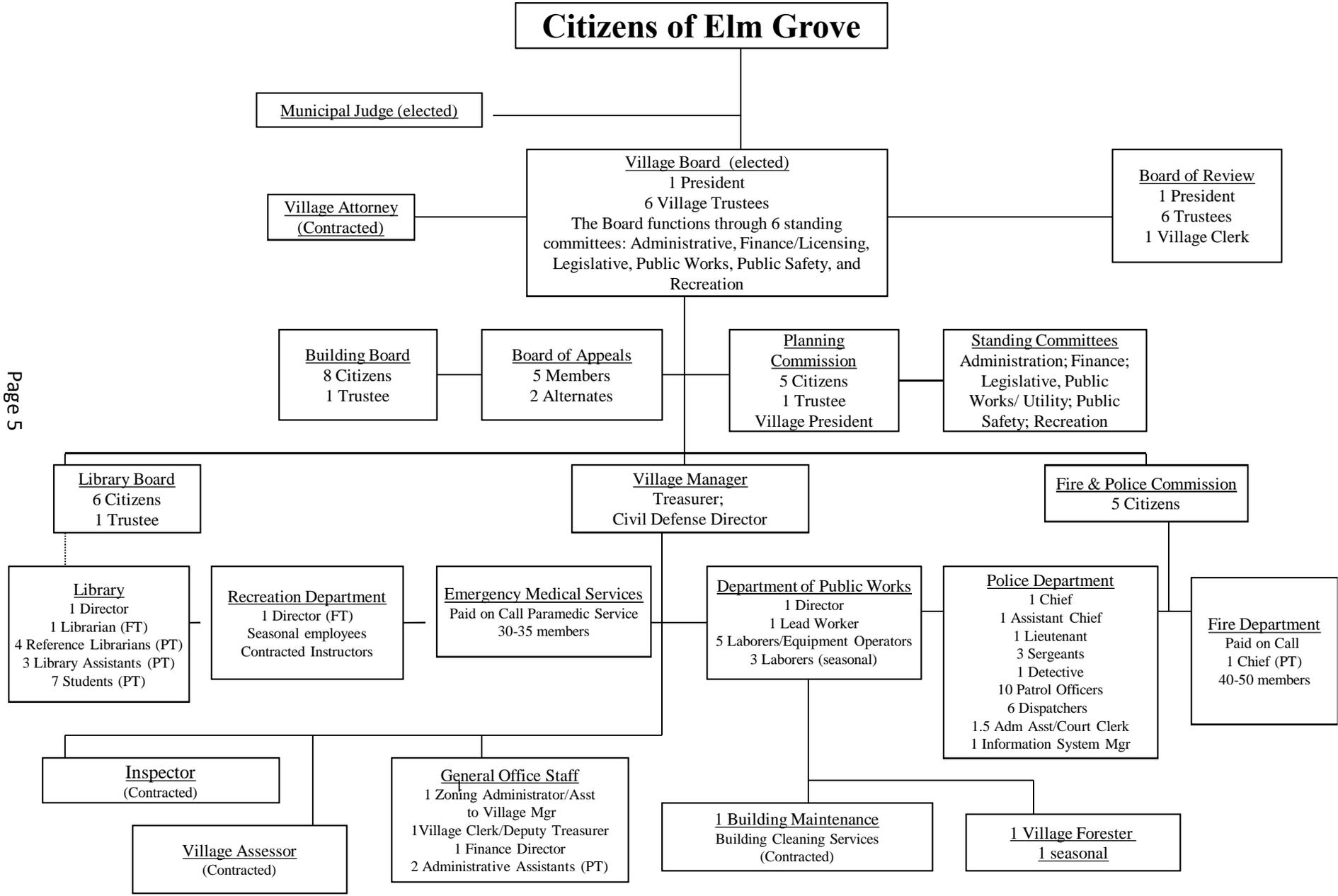
David De Angelis	Village Manager
Monica L. Hughes	Finance Director

Report Prepared by:

Monica L. Hughes	Finance Director
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Village of Elm Grove

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FINANCIAL SECTION

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, 2013, 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, 2013 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. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Supplementary Information

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 and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Village Board
Village of Elm Grove

Other Information

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 introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Samuel Kelly Verichew Krause, LLP

Milwaukee, Wisconsin
May 19, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Elm Grove



Management's Discussion and Analysis (Unaudited) As of and for the Year Ended December 31, 2013

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, 2013. 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, 2013 by \$20.37 million.
- As of December 31, 2013 the Village's governmental funds reported combined ending fund balance of \$5,270,884.
- The tax increment district had an increment value of \$21.1 million over its 2004 base year which generated revenues of \$475,000, more than the general obligation debt of the district.
- Construction on a commercial property within the tax district, that had been vacant for a number of years, is expected to be completed in 2014.
- During 2013, the Village constructed a limited municipal water system within the tax district which will be available to the new commercial development and other property owners adjacent to the system that chose to connect.
- Funds were advanced from the general fund to construct the water system and will be paid back by future tax increments and property owner connection fees.
- Included in the general operating fund balance is unassigned fund balance of \$1,026,438 which is equal to 18% of total general fund expenditures. These funds are available for future Village needs including working capital,
- Development in Tax Increment District #2 during 2011 produced an increment for revenue year 2013 of \$475,181 and increase over the 2012 increment of \$341,594 and 2011 of \$437,809. The 2012 decrease was due to a decline in property value.
- 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, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the four is 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 10 individual governmental funds and 1 agency fund. 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 and the Capital Project Fund which are considered to be major funds. The Village has also chosen to promote its Tax Increment District #2 and Debt Service Fund to major funds for reporting purposes.

Data from the other five funds are combined into a single, aggregate presentation under the heading "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" elsewhere in this report. The municipal water project fund is being used for project costs associated with the limited municipal water system and future extensions.

Agency Funds

Agency funds are used to account for resources held for the benefit of parties outside the government. Agency 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 2013 the Village implemented GASB 65, *Items Previously Reported as Assets and Liabilities*.

Government-Wide Financial Analysis

The Village's total net position, net of related debt, exceeded liabilities by \$20,371,215 at the close of 2013. 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	
	2013	2012
Current & other assets	\$ 14,492,529	\$ 14,889,378
Capital assets	26,450,882	27,015,319
Total assets	<u>40,943,411</u>	<u>41,904,697</u>
Deferred outflows of resources	<u>498,351</u>	<u>539,881</u>
Long term liabilities outstanding	10,640,392	11,741,280
Other liabilities	<u>2,006,987</u>	<u>1,757,260</u>
Total liabilities	<u>12,647,379</u>	<u>13,498,540</u>
Deferred inflows of resources	<u>8,423,168</u>	<u>8,437,660</u>
Net position:		
Net investment in capital assets	17,095,963	16,855,319
Restricted	830,689	681,483
Unrestricted	<u>2,444,563</u>	<u>2,971,576</u>
Total net position	<u>\$ 20,371,215</u>	<u>\$ 20,508,378</u>

Net position decreased by \$137,163 or .67% in 2013 mainly attributed to depreciation on capital assets. 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 decrease is attributed to reduced long term liabilities and increased capital expenditures for new water system. The system will be owned and operated by a neighboring municipality so was not capitalized.

The Village's general obligation debt is \$10,500,000 as compared to \$11,350,000 in 2012, a reduction of \$850,000. No new debt was issued during 2013 and no taxes have been levied for debt service. The debt payments are funded by utility fees from the sewer and stormwater funds and tax increment from the village's tax increment district.

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 \$683,623 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	
	2013	2012
Revenues		
<u>Program revenues</u>		
Charges for services	\$ 2,368,262	\$ 2,415,751
Operating grants and contributions	609,911	716,792
Capital grants and contributions	5,490	29,953
<u>General revenues</u>		
Taxes	6,493,395	6,493,395
Taxes generated from TID increment	475,181	341,594
Intergovernmental revenue not restricted to specific programs	207,048	217,394
Investment income	32,339	25,696
Other	421,556	263,628
Gain on sale of village property	8,789	-
Total revenue before extraordinary items	10,621,971	10,504,203
Settlement of lawsuit	-	1,250,000
Total revenues	10,621,971	11,754,203
Expenses		
General Government	1,403,462	1,422,768
Public Safety	3,309,156	3,284,598
Health and Sanitation	3,711,448	3,056,274
Highway and Transportation	1,192,854	1,102,688
Library	455,467	441,712
Parks and recreation	290,622	311,277
Interest and fiscal charges	396,125	172,892
Total Expenses	10,759,134	9,792,209
Increase in net position	(137,163)	1,961,994
Net position beginning	20,508,378	18,546,384
Net position ending	\$ 20,371,215	\$20,508,378

Government Activities

Governmental activities decreased the Village's net position by \$137,613. There was no change to tax revenue for 2013. 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 61.15% of the Village's total revenue.

Charges for services decreased \$47,489 in 2013. This is attributed to a decrease in the Village's stormwater utility fee. The village had increased fees to support legal fees from a contractor lawsuit arising from the village stormwater management project. The village prevailed and received a settlement (recorded as an extraordinary item in 2012). The village chose to reduce the fee for 2013

and future years. 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.

Sewer fees also increased from larger usage by commercial property owners. The village updated its ordinance during 2013 requiring commercial properties to install meters in a effort to provide more accurate and consistent usage reports. The Village contracts with Milwaukee Metropolitan Sewage District for sewage disposal and treatment. The Village again saw higher than budgeted permit fees, a positive sign, 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 eight new single family homes built in 2013 as property owners have chosen to demolish and rebuild instead of moving from the community. A new commercial property is under construction of an assisted living facility on a former manufacturing site that has been vacant for a number of years. 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.

Operating grants decreased by \$106,881. The Village has seen a decrease in state transportation aid over recent years including 10% in 2013 or \$48,000. The Village is also participating in an area wide initiative with the Milwaukee Metropolitan Sewage District, MMSD, to prevent groundwater in the sewage system. MMSD will reimburse the municipality for expenses incurred for the project. In 2012, the village received \$75,000 as compared to \$28,000 in 2013. The work is all done on private property, and therefore is not capitalized. More work will continue in the spring of 2014. The Village received a capital grant in 2013 for an ADA lift for the municipal pool. In 2012, the Village also received a local road improvement grant for a road project.

Investment income for 2013 in the commercial market was again low reflecting 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. During 2013 the Village chose to advance funds to the water project fund from the general fund to build its limited water system. These funds will be paid back to the general fund, plus 3% interest, through future tax increments and additional user's connecting to the system.

Other income for 2013 increased due to a donation from the estate of a former resident. A donation of \$131,000 was received to be used for the village's emergency medical services.

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, 2013, the Village of Elm Grove's governmental funds reported combined ending fund balances of \$5.3 million, a decrease of \$467,608 from 2012. This is mainly attributed to the Village's capital expenditure on the water project. The Village has built this system and will be paid back from future tax increments. Due to available funds in the general fund and the Village's fund balance policy it was a management decision to use internal financing for the limited municipal water system.

The general fund ended 2013 with an unassigned fund balance of \$1.026 million which is available for future uses at the Village's discretion. This is within the Village's designated level in its fund balance policy.

The capital project fund balance increased by \$212,488. 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 2013, a number of projects were postponed until 2014 to coordinate with neighboring municipalities' projects and more advantageous pricing.

General Fund budgetary highlights

The year end results of operations compared to the 2013 budget for the Village of Elm Grove were within budgeted amounts. General Fund revenues exceeded budget by approximately \$31,000. The Village saw additional permit revenue \$54,500 above budget, the third year of higher than budgeted permit revenue. The Village also saw an increase of contracted expense related to the permits of \$37,000 for net additional revenue of \$17,500. A decrease in fines and forfeitures is reflected in the current year statements as is an increase to legal court costs. Changes in state law have resulted in additional claims being taken to the circuit court and increased costs to the village to litigate. Recreation revenue is under budget as the Village continues to evaluate residents' needs and wants in offering programs.

The general fund expenditures were \$51,700 under budget. Wages in the police department reflect the payout at retirement for two long term employees for accrued time off, a total of \$39,100. Fringe benefits were controlled by positive results of the continued use of a Health Reimbursement Account in conjunction with the high-deductible health plan and employee contributions to retirement from the dispatch and public works employees, new in 2013. The Village provides fire and emergency medical services to residents with a paid on call service. Fire on call wages were under- budget by \$9,000 due to the number of calls. Other departmental savings result from management and staff closely monitoring expenditures.

Expenditures in the public works department for snow and ice control were \$30,000 above the budget due to harsh early winter conditions following a mild previous winter. The Village purchased more road salt this year and also incurred additional labor hours and cost for plowing activities to maintain safe and accessible village roads.

The Village budgeted for the use of \$195,675 in fund balance to reduce the amount of funds in the general fund and within the identified fund balance policy. The village policy is 15%-25% unrestricted fund balance. At year end 2013, the Village had approximately 36%.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$26.5 million (net of accumulated depreciation). The Village capitalized an additional \$461,170 in assets and had depreciation expense of \$1,023,970.

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

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Land	\$ 7,791,413	\$ 7,791,413
Land Improvements	199,833	194,391
Buildings and improvements	2,841,359	2,910,541
Machinery and equipment	2,170,384	2,351,089
Construction in progress	114,593	-
Infrastructure	<u>13,333,300</u>	<u>13,767,885</u>
	<u>\$ 26,450,882</u>	<u>\$ 27,015,319</u>

Long-term Debt

At the end of 2013 the Village of Elm Grove had total general obligation debt outstanding of \$10.5 million. The Village issued no additional debt in 2013. Under state statutes the village has the authority to borrow 5% of its equalized value or \$48 million. Current outstanding debt represents 1.08% of the Village's equalized value of \$976.6 million. 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

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
General Obligation Bonds		
Sewer Bonds	\$ 840,000	\$ 1,190,000
Stormwater Project Bonds	<u>9,660,000</u>	<u>10,160,000</u>
Total G.O. Debt	<u>\$ 10,500,000</u>	<u>\$ 11,350,000</u>

As was noted earlier, the village did not levy any taxes for the payment of general obligation debt. 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 \$683,623 for future health benefits for two police officers injured in the line of duty. The village had a contractual agreement to pay one 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 \$683,623 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.

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 \$976 million. Residential properties comprise 89.24% of real property values. The average equalized value of a single family residence in Elm Grove is \$392,550, 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 2014 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 2014 budget included a small levy increase of 1.32% or \$85,425. The Village's 2014 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 2014, mainly a loss of \$46,000 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 \$115,000 to the Wisconsin Retirement System from all employees other than public safety, health insurance premium sharing with employees paying 20% of premium cost, a change in health insurance carriers and plan which included a savings of 8% to health insurance premiums, capital expenditures of \$1,300,115 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.

The tax increment district value provided a tax increment sufficient to meet its debt obligations. Current new construction is expected to be completed in 2014 redeveloping 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. The completion of a limited water system within this district also enhances the desirability of this district for development.

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, 2013

	Governmental Activities
ASSETS	
Cash and investments	\$ 11,063,810
Receivables	
Taxes	3,184,876
Delinquent personal property taxes	6,729
Accounts	146,013
Allowance for doubtful accounts	(11,604)
Interest	2,180
Other government entities	2,536
Prepays	97,989
Capital Assets	
Land	7,791,413
Construction in progress	114,593
Other capital assets, net of depreciation	18,544,876
Total Assets	40,943,411
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	498,351
 LIABILITIES	
Accounts payable and accrued liabilities	834,350
Unearned revenue	41,501
Current portion of long-term obligations	1,131,136
Noncurrent portion of long-term obligations	10,640,392
Total Liabilities	12,647,379
 DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	8,423,168
 NET POSITION	
Net investment in capital assets	17,095,963
Restricted for debt service	624,244
Restricted for donor specified purpose	164,009
Restricted for library	6,086
Restricted for State Act 102 funding	36,350
Unrestricted	2,444,563
 Total Net Position	 \$ 20,371,215

See accompanying notes to the financial statements.

Village of Elm Grove

Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants & contributions		Capital Grants & Contributions
Governmental Activities					
General government	\$ 1,403,462	\$ 6,539	\$ -	\$ -	\$ (1,396,923)
Public safety	3,309,156	445,931	45,042	-	(2,818,183)
Health and sanitation	3,711,448	1,721,793	70,633	-	(1,919,022)
Highway and transportation	1,192,854	10,246	463,040	-	(719,568)
Library	455,467	13,800	31,196	-	(410,471)
Park and recreation	290,622	169,953	-	5,490	(115,179)
Interest and fiscal charges	396,125	-	-	-	(396,125)
	<u>\$ 10,759,134</u>	<u>\$ 2,368,262</u>	<u>\$ 609,911</u>	<u>\$ 5,490</u>	<u>(7,775,471)</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes					6,493,395
Property taxes, other (TID #2)					475,181
Intergovernmental revenues not restricted to specific purpose					207,048
Investment income					32,339
Other					421,556
Gain on sale of village assets					8,789
Total general revenues					<u>7,638,308</u>
Change in Net Position					(137,163)
Net Position at Beginning of the Year					<u>20,508,378</u>
Net Position at Year End					<u>\$ 20,371,215</u>

See accompanying notes to financial statements.

Village of Elm Grove
Governmental Funds
Balance Sheet
As of December 31, 2013

	General Fund	Special Revenue		Debt Service Fund	5 Year Capital Projects Fund	Nonmajor Governmental Funds	Totals
		Sewer Fund	TID #2 Fund				
ASSETS							
Cash and investments	\$ 4,409,104	\$ 2,637,036	\$ 256,452	\$ 397,548	\$ 2,239,483	\$ 1,124,187	\$ 11,063,810
Receivables							
Taxes	1,601,506	792,528	178,897	-	246,556	365,389	3,184,876
Delinquent personal property tax	6,729	-	-	-	-	-	6,729
Accounts	22,240	57,773	-	-	-	66,000	146,013
Allowance for doubtful accounts	-	-	-	-	-	(11,604)	(11,604)
Due from other governments	2,536	-	-	-	-	-	2,536
Interest	2,180	-	-	-	-	-	2,180
Advance to other Funds	925,984	-	-	470,695	-	-	1,396,679
Prepays	59,944	-	-	-	38,045	-	97,989
Total Assets	<u>\$ 7,030,223</u>	<u>\$ 3,487,337</u>	<u>\$ 435,349</u>	<u>\$ 868,243</u>	<u>\$ 2,524,084</u>	<u>\$ 1,543,972</u>	<u>\$ 15,889,208</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	165,696	80,848	-	-	49,340	67,193	363,077
Accrued liabilities	287,732	-	-	-	-	53,737	341,469
Developer deposits	44,000	-	-	-	-	-	44,000
Unearned revenues	41,501	-	-	-	-	-	41,501
Advance from other funds	-	-	470,695	-	-	925,984	1,396,679
Total Liabilities	<u>538,929</u>	<u>80,848</u>	<u>470,695</u>	<u>-</u>	<u>49,340</u>	<u>1,046,914</u>	<u>2,186,726</u>
Deferred Inflows of Resources							
Unearned revenues	4,224,703	2,177,237	435,349	-	600,000	985,879	8,423,168
Unavailable revenues	2,180	-	-	-	-	6,250	8,430
Total Deferred Inflows of Resources	<u>4,226,883</u>	<u>2,177,237</u>	<u>435,349</u>	<u>-</u>	<u>600,000</u>	<u>992,129</u>	<u>8,431,598</u>
Fund balances							
Nonspendable	992,657	-	-	470,695	38,045	-	1,501,397
Restricted	15,665	312,500	-	397,548	-	190,780	916,493
Committed	-	916,752	-	-	1,836,699	266,286	3,019,737
Assigned	229,651	-	-	-	-	-	229,651
Unassigned (deficit)	1,026,438	-	(470,695)	-	-	(952,137)	(396,394)
Total Fund Balance (Deficit)	<u>2,264,411</u>	<u>1,229,252</u>	<u>(470,695)</u>	<u>868,243</u>	<u>1,874,744</u>	<u>(495,071)</u>	<u>5,270,884</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 7,030,223</u>	<u>\$ 3,487,337</u>	<u>\$ 435,349</u>	<u>\$ 868,243</u>	<u>\$ 2,524,084</u>	<u>\$ 1,543,972</u>	

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

Capital assets used in governmental funds are not financial resources and therefore the funds are not reported in the funds (see Note II.A)	26,450,882
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements	8,430
Other long-term assets are not available to pay for current period expenditures and are deferred outflows (See Note II.A)	498,351
Some liabilities, including long-term debt, are not due and payable in the current period and therefore are not reported in the funds (See Note II.A)	<u>(11,857,332)</u>
Net Position of Governmental Funds	<u>\$ 20,371,215</u>

Village of Elm Grove

Governmental Funds
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2013

	General Fund	Special Revenue		Debt Service Fund	5 Year Capital Projects Fund	Nonmajor Governmental Funds	Totals
		Sewer Fund	TID #2 Fund				
Revenues							
Taxes	\$ 3,694,415	\$ 1,555,500	\$ 475,181	\$ -	\$ 539,000	\$ 704,480	\$ 6,968,576
Intergovernmental revenues	744,689	28,600	7,733	-	5,490	35,936	822,448
Licenses and permits	255,904	-	-	-	-	-	255,904
Fines, forfeitures and penalties	155,977	-	-	-	-	-	155,977
Public charges for services	661,008	846,892	-	-	-	518,218	2,026,118
Commercial revenues	202,328	4,271	-	1,415	4,237	177,774	390,025
Total Revenues	<u>5,714,321</u>	<u>2,435,263</u>	<u>482,914</u>	<u>1,415</u>	<u>548,727</u>	<u>1,436,408</u>	<u>10,619,048</u>
Expenditures							
Current							
General government	1,216,772	-	650	-	-	-	1,217,422
Public Safety	3,032,594	-	-	-	-	292,661	3,325,255
Health and sanitation	449,792	1,926,540	-	-	-	220,812	2,597,144
Highway and transportation	798,580	-	-	-	-	-	798,580
Library	-	-	-	-	-	439,739	439,739
Park and recreation	199,715	-	-	-	-	-	199,715
Capital outlay	25,647	-	-	-	444,678	961,285	1,431,610
Debt service							
Principal	-	-	-	850,000	-	-	850,000
Interest	-	-	361	235,619	-	-	235,980
Total Expenditures	<u>5,723,100</u>	<u>1,926,540</u>	<u>1,011</u>	<u>1,085,619</u>	<u>444,678</u>	<u>1,914,497</u>	<u>11,095,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,779)</u>	<u>508,723</u>	<u>481,903</u>	<u>(1,084,204)</u>	<u>104,049</u>	<u>(478,089)</u>	<u>(476,397)</u>
OTHER FINANCING SOURCES (USES)							
Sale of village assets	5,350	-	-	-	3,439	-	8,789
Transfers in	-	-	-	1,085,619	105,000	200	1,190,819
Transfers out	(105,200)	(365,985)	(353,252)	-	-	(366,382)	(1,190,819)
Total Other Financing Sources (Uses)	<u>(99,850)</u>	<u>(365,985)</u>	<u>(353,252)</u>	<u>1,085,619</u>	<u>108,439</u>	<u>(366,182)</u>	<u>8,789</u>
Net change in fund balance	(108,629)	142,738	128,651	1,415	212,488	(844,271)	(467,608)
FUND BALANCES (DEFICIT) - BEGINNING 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>
FUND BALANCES (DEFICIT) - END OF YEAR							
	<u>\$ 2,264,411</u>	<u>\$ 1,229,252</u>	<u>\$ (470,695)</u>	<u>\$ 868,243</u>	<u>\$ 1,874,744</u>	<u>\$ (495,071)</u>	<u>\$ 5,270,884</u>

See accompanying notes to financial statements.

Village of Elm Grove

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to
Statement of Activities
For the Year Ended December 31, 2013

Net Change in Fund Balances-Total Governmental Funds	\$ (467,608)
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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	1,431,610
Capital assets reported as current expenditures but capitalized	14,202
Some items reported as capital outlay were not capitalized	(984,642)
Depreciation is reported in the government-wide statements	(1,023,970)
Net book value of assets retired	(1,637)

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	559
Public safety emergency medical service fees	(6,424)

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

Principal retired	850,000
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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. Debt issuance costs were recorded as expenditures in the governmental funds but amortized over the life of the debt issue in the Statement of Activities. A change in accounting rules now expenses these issuance costs on both statements

Amortization of premiums	16,106
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.

Expense of debt issuance costs and underwriter's discount	(138,707)
Interest accrued	3,985
Compensated absences	23,305
Benefit agreements	<u>187,587</u>

Change in Net Position of Statement of Activities	<u>\$ (137,163)</u>
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See accompanying notes to financial statements.

VILLAGE OF ELM GROVE
AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2013

	<u>Agency Fund</u> Tax Collection Fund
ASSETS	
Cash and temporary investments	\$ 7,858,241
Taxes receivable	<u>5,481,774</u>
TOTAL ASSETS	<u>\$ 13,340,015</u>
LIABILITIES	
Due to other taxing units	<u>\$ 13,340,015</u>

See accompanying notes to financial statements.

VILLAGE OF ELM GROVE

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VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - 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 the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statement to be misleading. The Village has not identified any organizations that meet these criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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/deferred outflows of resources, liabilities/deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

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

1. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all 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.

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

The Village reports the following major governmental funds:

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

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).

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements (continued)

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

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 Fund

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 TID #2

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 unearned 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 unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. 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.

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.

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, 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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Deposits and Investments (continued)

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, 2013, 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.

2. Receivables

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2. Receivables (continued)

Property tax calendar - 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due to County	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax settlement:	
First settlement	January 15, 2014
Second settlement	February 20, 2014
Final settlement	August 20, 2014
Tax deed by County – 2012 delinquent real estate taxes	October, 2016

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 unearned 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 unearned revenue.

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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5. Deferred Outflows of Resources

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

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

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. Compensated absences are accrued when incurred in the government-wide 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, 2013 for all Village employees that would be due upon termination totals \$212,088.

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, 2013 for all Village employees is \$175,528.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6. Compensated Absences (continued)

Compensatory Time

Overtime may be accumulated up to sixty (60) hours which may then be taken off as compensatory time. Compensatory time earned in excess of sixty (60) hours shall be paid out as overtime for the pay period in which it is earned. Compensatory time may be taken off in consecutive hours, not to exceed forty (40) hours and is paid out at current wage rates. The amount of unused compensatory pay earned at December 31, 2013 for all Village employees is \$7,019.

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.

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

The Village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the Village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

8. Deferred Inflows of Resources

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS/DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES/DEFERRED INFLOWS OF RESOURCES, 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 and displayed as follows:

- a. Nonspendable- Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted- Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- 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 resolution 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, 2013

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

9. Equity Classifications (continued)

Fund Statements (continued)

- d. Assigned- Includes spendable fund balance amounts that are intended to be used 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, 2013 is 18%, within the targeted level.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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 \$ 26,450,882

Other long-term assets are not available to pay for current period expenditures and are deferred outflows of resources.

Deferred charges on refunding \$ 498,351

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 position.

Bonds and notes payable	\$ 10,500,000
Unamortized premium on refunding bonds	193,270
Compensated absences	394,635
Benefit agreements payable	683,623
Accrued interest	<u>85,804</u>
Combined adjustments for long-term liabilities	<u>\$ 11,857,332</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

NOTE III - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

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.

B. LIMITATIONS ON THE VILLAGE'S TAX LEVY

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

C. DEFICIT FUND BALANCES

Special Revenue Fund – TID #2

- The Special Revenue Fund – TID #2 had a deficit balance of \$470,695 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 – Water Fund TID #2

- The Capital Project Fund – Water Fund TID #2 has a deficit balance of \$952,137 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 system was completed in the fall of 2013. Future tax increments from the new development will be used to repay the general fund plus interest for the advance of these funds. The Village board also approved in 2013 the expansion of the system to a condominium development. The condominium association has committed to paying the entire cost of this extension upon completion.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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	13,824,411	13,855,955	Custodial Credit
Certificates of Deposit	2,638,930	2,638,930	Custodial Credit
LGIP	<u>2,457,765</u>	<u>2,457,765</u>	Credit
Total Cash and Investments	<u>\$ 18,922,051</u>	<u>\$ 18,952,650</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 11,063,810		
Per statement of assets and liabilities -			
Agency Fund	<u>7,858,241</u>		
Total Cash and Investments	<u>\$ 18,922,051</u>		

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

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

The Village maintains various collateral agreements with its banks. At December 31, 2013, the banks pledged various governmental securities in the amount of \$15.1 million to secure the Village's deposits.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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, 2013, \$13,813,296 of the Village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,185
Uninsured and collateral held by the pledging financial institutions trust department or agent not in the Village's name	<u>13,796,111</u>
Total	<u>\$ 13,813,296</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, 2013

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes and user fees receivable for subsequent year	\$ -	\$ 8,423,168
Subsequent period prepayments	-	41,501
Other receivables not yet due	<u>8,430</u>	<u>-</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 8,430</u>	 <u>\$ 8,464,669</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital Assets not being Depreciated:</u>				
Land and Improvements	\$ 7,791,413	\$ -	\$ -	\$ 7,791,413
Construction in Progress	-	114,593	-	114,593
Total Capital Assets not being Depreciated	\$ 7,791,413	114,593	-	7,906,006
 <u>Other Capital Assets</u>				
Land Improvements	\$ 337,331	\$ 20,740	\$ -	\$ 358,071
Buildings and Improvements	5,976,482	61,811	(32,199)	6,006,094
Machinery and Equipment	5,654,838	185,846	(70,441)	5,770,243
Infrastructure	22,312,493	78,180	-	22,390,673
Total Capital Assets being Depreciated	\$ 34,281,144	\$ 346,577	\$ (102,640)	\$ 34,525,081
 Total Capital Assets	 \$ 42,072,557	 \$ 461,170	 \$ (102,640)	 \$ 42,431,087
 <u>Less Accumulated Depreciation</u>				
Land Improvements	\$ (142,941)	\$ (15,297)	\$ -	\$ (158,238)
Buildings and Improvements	(3,065,940)	(129,357)	30,562	(3,164,735)
Machinery and Equipment	(3,303,749)	(366,551)	70,441	(3,599,859)
Infrastructure	(8,544,608)	(512,765)	-	(9,057,373)
Total Accumulated Depreciation	\$ (15,057,238)	\$ (1,023,970)	\$ 101,003	\$ (15,980,205)
 Net Capital Assets	 \$ 27,015,319	 \$ (562,800)	 \$ (1,637)	 \$ 26,450,882

Depreciation Expense was charged to functions as follows:

General Government	\$ 159,291
Public Safety	188,166
Health and Sanitation	191,994
Highway and Transportaiton	390,751
Library	11,149
Park and Recreation	82,619
Total Depreciation Expense	\$ 1,023,970

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

D. INTERFUND 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, 2013:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service Fund	Sewer Fund	\$ 365,985	Debt service
Debt Service Fund	Stormwater Fund	366,382	Debt service
Debt Service Fund	TID #2 Fund	353,252	Debt service
Five Year Capital Project Fund	General Fund	105,000	Capital projects
Library Fund	General Fund	200	Program support
		<u>\$ 1,190,819</u>	

The transfers above were authorized in the 2013 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

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 municipal water system will be constructed by the Village and then turned over to a neighboring municipality, the City of Brookfield's water utility, who will own and maintain the system. Those within the Village of Elm Grove who choose to connect to this water system will be retail customers of the City of Brookfield. The advance, plus interest of 3%, will be repaid to the general fund from tax increments generated from a new commercial development and connection fees of other property owners who choose to connect. During 2013 the Village board also approved the construction of an extension to a condominium project to be paid by the condominium owners. Construction of this extension is expected in late spring of 2014.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

D. Interfund, Transfers and Advances (continued)

Advances (continued)

As of December 31, 2013 funds advanced were:

Municipal System in Tax Increment District	\$	901,324
Park Condominium Extension		<u>24,660</u>
Total advance to water fund	\$	<u>925,984</u>

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 2013 interest of \$360 was accrued at a rate of .10%. The total advanced as of December 31, 2013 was \$470,695.

E. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2013, was as follows:

	Beginning			Ending	Amounts Due Within
Governmental Activities	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>One Year</u>
Bonds/Notes Payable					
General obligation debt	\$ 11,350,000	\$ -	\$ 850,000	\$ 10,500,000	\$ 880,000
Unamortized premium	<u>209,376</u>	<u>-</u>	<u>16,106</u>	<u>193,270</u>	<u>16,106</u>
Total bonds/notes payable	<u>11,559,376</u>	<u>-</u>	<u>866,106</u>	<u>10,693,270</u>	<u>896,106</u>
Other Liabilities					
Vested compensated absences	417,940	246,293	269,598	394,635	199,418
Benefit agreements payable	<u>871,210</u>	<u>-</u>	<u>187,587</u>	<u>683,623</u>	<u>35,612</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 12,848,526</u>	<u>\$ 246,293</u>	<u>\$ 1,323,291</u>	<u>\$ 11,771,528</u>	<u>\$ 1,131,136</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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, 2013, was \$48.8 million. Total general obligation debt outstanding at year end was \$10.5 million.

Type	Date of Issue	Interest Rate	Principal Due	Interest Payable	Original Indebtedness	Balance 12/31/2013
Stormwater Improvement Bonds	2003	3.1-4.4%	12/1/06-23	6/1 & 12/1	\$ 4,350,000	\$ 235,000
Stormwater Improvement Bonds	2005	3.35-4.2%	3/1/08-25	3/1 & 9/1	7,235,000	245,000
General Obligation Refunding Bonds	2010	0.5-1.9%	10/1/11-16	4/1 & 10/1	2,115,000	840,000
General Obligation Refunding Bonds	2012	1.0-2.25%	8/1/12-25	2/1 & 8/1	9,450,000	9,180,000
						<u>\$ 10,500,000</u>

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

Year	Principal	Interest	Total
2014	\$ 880,000	\$ 215,046	\$ 1,095,046
2015	855,000	197,076	1,052,076
2016	925,000	181,626	1,106,626
2017	725,000	163,391	888,391
2018	785,000	148,891	933,891
2019-2023	4,605,000	488,850	5,093,850
2024-2025	1,725,000	58,305	1,783,305
	<u>\$ 10,500,000</u>	<u>\$ 1,453,185</u>	<u>\$ 11,953,185</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

E. LONG-TERM OBLIGATIONS (continued)

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 and compensatory time 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 provides health insurance until the individual reaches Medicare eligibility. During 2011, a police officer injured in the line of duty retired under the State of Wisconsin disability program. The Village has a contractual obligation to provide the disabled officer and his family health insurance until he reaches Medicare age. The liability for these agreements is recorded in the government-wide statements.

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 2013 was \$127,807. Below are the estimated revenues for years 2014-2018.

<u>Year</u>		
2014	\$	133,010
2015		139,074
2016		146,169
2017		150,320
2018		<u>154,623</u>
	\$	<u>723,196</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCE

Net Position reported on the Government-Wide Statement of Net Position at December 31, 2013 includes the following:

Net investment in capital assets	
Land	\$ 7,791,413
Construction in progress	114,593
Other capital assets, net of accumulated depreciation	18,544,876
Less: related long-term debt outstanding, less unspent portion	(9,660,000)
Add: deferred charges on refunding	498,351
Less: unamortized premium	<u>(193,270)</u>
Total net investment in capital assets	17,095,963
Restricted for debt service	624,244
Restricted for donor specified purpose	164,009
Restricted for library	6,086
Restricted for State Act 102 funding	36,350
Unrestricted	<u>2,444,563</u>
Total Governmental Activities Net Position	<u>\$ 20,371,215</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCE (continued)

Governmental fund balances reported on the fund financial statements as of December 31, 2013 include the following:

Nonspendable	
<u>General Fund</u>	
Prepaid Items	\$ 59,944
Unpaid Prior Year Personal Property Taxes	6,729
Advance to Municipal Water Project Fund	925,984
<u>Capital Projects Fund</u>	
Prepaid Item	38,045
<u>Debt Service Fund</u>	
Advance to TID #2 Special Revenue Fund	470,695
	<u>\$ 1,501,397</u>
 Restricted	
<u>General Fund</u>	
Donor Specified	\$ 15,665
<u>Sewer Fund</u>	
Debt service	312,500
<u>Debt Service Fund</u>	
Debt service	397,548
<u>Library Fund</u>	
Library	6,086
<u>Emergency Medical Service Fund</u>	
Donor Specified	92,559
State ACT 102 funding	36,350
<u>Library Gift Fund</u>	
Donor Specified	55,785
	<u>\$ 916,493</u>
 Committed	
<u>Capital Projects Fund</u>	
Capital Projects	\$ 1,836,699
<u>Sewer Fund</u>	
Sewer Operations and Infrastructure	916,752
<u>Stormwater Fund</u>	
Stormwater Operations and Infrastructure	240,332
<u>Emergency Medical Service Fund</u>	
Emergency Medical Service	25,954
	<u>\$ 3,019,737</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE IV - DETAILED NOTES ON ALL FUNDS

G. NET POSITION/FUND BALANCE (continued)

Assigned

General Fund

Donor Specific Purpose	\$	32,194
Funds for Fire Department Events		1,782
2014 Budget Appropriation		<u>195,675</u>
	\$	<u>229,651</u>

Unassigned (Deficit)

General Fund	\$	1,026,438
TID # 2 (deficit)		(470,695)
Water TIF #2 Project Fund (deficit)		<u>(952,137)</u>
	\$	<u>(396,394)</u>

Total Government Fund Balance	\$	<u>5,270,884</u>
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VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

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.

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 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%

The payroll for Village employees covered by the WRS for the year ended December 31, 2013 was \$2,935,604; the employer's total payroll was \$3,367,829. The total required contribution for the year ended December 31, 2013 was \$526,033, or 17.92% of covered payroll. Of this contribution, general employees, not covered under a collective bargaining agreement, and public safety employees hired after July 1, 2011 paid \$195,217, the Village paid the remainder of \$330,816. Total contributions for the years ended December 31, 2012 and 2011 were \$466,016 and \$451,475 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings are the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (continued)

For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS 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 WRS 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, 2013.

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 2013, 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 2013, the Village had a potential liability of \$678,500 and incurred claims of \$112,825, 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, 2013

NOTE V – OTHER INFORMATION

C. COMMITMENTS AND CONTINGENCIES

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

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.

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, 2013, are not likely to have a material adverse impact on the Village's financial position.

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

The Village built a limited municipal water system during 2013 as part of the tax increment district #2. This system will serve a new commercial development in the district and is available to other property owners adjacent to the system if they choose to connect. The general fund advanced funding for this project and will be paid back by future tax increments and new property owner connection fees. The system will be turned over to a neighboring community's water utility and village property owners will be customers of their utility. The project is complete other than limited restoration work to be completed in the spring of 2014.

The Village is also involved in a project with the Milwaukee Metropolitan Sewage District to limit infiltration of water into the sewer system from private laterals. The work is being done by the Village with property owner approval but is fully reimbursable from the District. The Village entered an agreement with a contractor in late fall of 2013 for \$286,000 for lateral work but due to severe weather conditions the project was not started until February of 2014.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

NOTE V – OTHER INFORMATION

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

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

- *Statement of No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*
- *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- *Statement No. 69, Government Combinations and Disposals of Government Operations*
- *Statement No. 70, Accounting and Financial Reporting for nonexchange Financial Guarantees*

Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ELM GROVE

General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget to Actual (non-GAAP)
 For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,694,415	\$ 3,694,415	\$ 3,694,415	\$ -
Intergovernmental	745,640	745,640	744,689	(951)
Licenses and Permits	197,825	197,825	255,904	58,079
Fines, Foreitures and Penalties	184,500	184,500	155,977	(28,523)
Public Charges for Service	677,410	677,410	661,008	(16,402)
Commercial Revenues	139,100	139,100	158,379	19,279
Total Revenues	<u>\$ 5,638,890</u>	<u>\$ 5,638,890</u>	<u>\$ 5,670,372</u>	<u>\$ 31,482</u>
EXPENDITURES				
Current				
General Government	1,104,685	1,106,185	1,093,950	12,235
Municipal Court	98,010	98,010	109,042	(11,032)
Police	2,142,910	2,260,410	2,234,524	25,886
Dispatch	414,475	423,405	417,733	5,672
Fire	263,200	263,200	261,161	2,039
Inspections	78,750	78,750	115,816	(37,066)
Health and Sanitation	461,550	461,550	449,792	11,758
Highway and Transportation	734,225	633,225	681,514	(48,289)
Forestry	127,495	128,995	117,066	11,929
Park and recreation	199,600	199,600	195,861	3,739
Contingency	206,465	69,535	-	69,535
Capital Outlay- Equipment	3,200	3,200	1,315	1,885
Total Expenditures	<u>5,834,565</u>	<u>5,726,065</u>	<u>5,677,774</u>	<u>48,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(195,675)</u>	<u>(87,175)</u>	<u>(7,402)</u>	<u>79,773</u>
Other Financing Uses				
Transfers out	-	(108,500)	(105,000)	3,500
Net Change in Fund Balance on budgetary basis	<u>\$ (195,675)</u>	<u>\$ (195,675)</u>	<u>(112,402)</u>	<u>\$ 83,273</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Commercial revenue			43,949	
Sale of Village assets			5,350	
			<u>49,299</u>	
Expenditures charged to designated accounts				
General Government			13,780	
Transfer to library			200	
Public Safety			3,360	
Park and Recreation			3,854	
Capital Outlay			24,332	
			<u>45,526</u>	
Net Change in Fund Balance - GAAP			(108,629)	
FUND BALANCE- beginning of year			<u>2,373,040</u>	
FUND BALANCE- END OF YEAR			<u>\$ 2,264,411</u>	

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

VILLAGE OF ELM GROVE

Sewer Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,555,500	\$ 1,555,500	\$ -
Intergovernmental revenues	-	28,600	28,600
Public charges for services - user and connection charge	810,200	846,892	36,692
Commercial revenues			
Investment income	5,000	3,988	(1,012)
Miscellaneous Income	-	283	283
Total Revenues	<u>2,370,700</u>	<u>2,435,263</u>	<u>64,563</u>
EXPENDITURES			
Current - health and sanitation			
Metropolitan sewer and capital cost recovery charges	1,769,700	1,775,206	(5,506)
Inspection and engineering	15,000	9,361	5,639
Legal, audit, insurance	20,500	18,759	1,741
Administrative	58,000	54,840	3,160
Miscellaneous	6,500	551	5,949
Infrastructure repair and maintenance	60,000	67,823	(7,823)
Total Expenditures	<u>1,929,700</u>	<u>1,926,540</u>	<u>3,160</u>
Excess of revenues over expenditures	<u>441,000</u>	<u>508,723</u>	<u>67,723</u>
OTHER FINANCING (USES)			
Transfer out			
Debt service fund	<u>(366,000)</u>	<u>(365,985)</u>	<u>15</u>
Net change in fund balance	<u>\$ 75,000</u>	<u>142,738</u>	<u>\$ 67,738</u>
FUND BALANCE - Beginning of Year		<u>1,086,514</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,229,252</u>	

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

VILLAGE OF ELM GROVE

Tax Increment District #2
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes- TIF Increment	\$ 480,000	\$ 475,181	\$ (4,819)
Intergovernmental revenues	<u>7,500</u>	<u>7,733</u>	<u>233</u>
Total Revenues	<u>487,500</u>	<u>482,914</u>	<u>(4,586)</u>
EXPENDITURES			
Current - general government			
Administrative	150	650	(500)
Debt service - Interest of advances	<u>400</u>	<u>361</u>	<u>39</u>
Total Expenditures	<u>550</u>	<u>1,011</u>	<u>(461)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>486,950</u>	<u>481,903</u>	<u>(5,047)</u>
OTHER FINANCING (USES)			
Transfer out			
Debt service fund	<u>(353,252)</u>	<u>(353,252)</u>	<u>-</u>
Net change in fund balance	<u>\$ 133,698</u>	<u>128,651</u>	<u>\$ (5,047)</u>
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(599,346)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (470,695)</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, 2013

NOTE I – BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budgets.

The Village adopted annual individual fund budgets for all governmental funds, except for the Library Gift Fund and Water TID #2 Capital Projects 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 2013 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 non-lapsing funds specifically designated by the Board. Budgetary control is exercised at the total fund level for all funds.

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Tax Increment District #2	\$ 550	\$ 1,011	\$ 461

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.

See independent auditors’ report.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds
 Combining Balance Sheet
 As of December 31, 2013

	Special Revenue Funds				Capital Projects Fund	Total
	Library Fund	EMS Fund	Stormwater	Library Gift Fund	Water	
			Operations Fund		Fund TID #2	
ASSETS						
Cash and temporary investments	\$ 226,193	\$ 329,320	\$ 509,584	\$ 59,090	\$ -	\$ 1,124,187
Taxes receivable	147,626	73,659	144,104	-	-	365,389
Receivables						
Accounts	-	30,966	35,034	-	-	66,000
Allowance for Doubtful Accounts	-	(11,604)	-	-	-	(11,604)
TOTAL ASSETS	<u>\$ 373,819</u>	<u>\$ 422,341</u>	<u>\$ 688,722</u>	<u>\$ 59,090</u>	<u>\$ -</u>	<u>\$ 1,543,972</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,506	\$ 35,218	\$ 1,011	\$ 3,305	\$ 26,153	\$ 67,193
Accrued payroll and related liabilities	6,977	46,760	-	-	-	53,737
Advance from other funds	-	-	-	-	925,984	925,984
Total Liabilities	<u>8,483</u>	<u>81,978</u>	<u>1,011</u>	<u>3,305</u>	<u>952,137</u>	<u>1,046,914</u>
Deferred Inflows of Resources						
Unearned revenues	359,250	179,250	447,379	-	-	985,879
Unavailable revenues	-	6,250	-	-	-	6,250
Total Deferred Inflows of Resources	<u>359,250</u>	<u>185,500</u>	<u>447,379</u>	<u>-</u>	<u>-</u>	<u>992,129</u>
Fund Balances (Deficit)						
Restricted	6,086	128,909	-	55,785	-	190,780
Committed	-	25,954	240,332	-	-	266,286
Unassigned	-	-	-	-	(952,137)	(952,137)
Total Fund Balances (Deficit)	<u>6,086</u>	<u>154,863</u>	<u>240,332</u>	<u>55,785</u>	<u>(952,137)</u>	<u>(495,071)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 373,819</u>	<u>\$ 422,341</u>	<u>\$ 688,722</u>	<u>\$ 59,090</u>	<u>\$ -</u>	<u>\$ 1,543,972</u>

VILLAGE OF ELM GROVE

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2013

	Special Revenue Funds				Capital Projects Fund	Total
	Library Fund	EMS Fund	Stormwater Operations Fund	Library Gift Fund	Water Fund TID #2	
REVENUES						
Property taxes	\$ 336,980	\$ 188,500	\$ 179,000	\$ -	\$ -	\$ 704,480
Intergovernmental revenues	31,196	4,740	-	-	-	35,936
Public charges for services	13,800	93,093	411,325	-	-	518,218
Commercial revenues						
Donations	-	132,953	-	42,831	-	175,784
Investment income	285	470	1,165	70	-	1,990
Total Revenues	382,261	419,756	591,490	42,901	-	1,436,408
EXPENDITURES						
Current						
Public safety- emergency medical service	-	292,661	-	-	-	292,661
Health and sanitation	-	-	220,812	-	-	220,812
Library	395,076	-	-	44,663	-	439,739
Capital outlay	-	38,975	-	-	922,310	961,285
Total Expenditures	395,076	331,636	220,812	44,663	922,310	1,914,497
Excess (deficiency) of revenues over (under) expenditures	(12,815)	88,120	370,678	(1,762)	(922,310)	(478,089)
OTHER FINANCING SOURCES (USES)						
Transfer in	200	-	-	-	-	200
Transfer out	-	-	(366,382)	-	-	(366,382)
Total Other Financing Sources (Uses)	200	-	(366,382)	-	-	(366,182)
Net change in fund balance	(12,615)	88,120	4,296	(1,762)	(922,310)	(844,271)
FUND BALANCE (DEFICIT) - Beginning of Year	18,701	66,743	236,036	57,547	(29,827)	349,200
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 6,086	\$ 154,863	\$ 240,332	\$ 55,785	\$ (952,137)	\$ (495,071)

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 3,694,415	\$ 3,694,415	\$ 3,694,415	\$ -
INTERGOVERNMENTAL REVENUES				
State shared revenues	188,780	188,780	188,785	5
Fire insurance dues	29,500	29,500	29,250	(250)
State and federal aids		-		
Transportation aids	463,180	463,180	463,040	(140)
Exempt computer aid	10,000	10,000	10,530	530
Public safety grants	4,480	4,480	5,115	635
Elmbrook Schools-Public Safety	7,500	7,500	5,937	(1,563)
Waukesha County Grants - Recycling	42,200	42,200	42,032	(168)
	<u>745,640</u>	<u>745,640</u>	<u>744,689</u>	<u>(951)</u>
LICENSES AND PERMITS				
Licenses	11,500	11,500	13,709	2,209
Cable TV franchise fees	62,000	62,000	63,313	1,313
Permits	124,325	124,325	178,882	54,557
	<u>197,825</u>	<u>197,825</u>	<u>255,904</u>	<u>58,079</u>
FINES, FORFEITURES AND PENALTIES				
Court fines	184,500	184,500	155,977	(28,523)
PUBLIC CHARGES FOR SERVICES				
General government	5,800	5,800	2,392	(3,408)
Protection of persons and property	4,500	4,500	10,693	6,193
Dog and cat license fees	4,750	4,750	4,149	(601)
Recreation Activities				
Swim team	11,850	11,850	13,780	1,930
Swimming lessons	22,300	22,300	21,513	(787)
Swimming fees	42,850	42,850	40,945	(1,905)
Pool rental	4,000	4,000	5,625	1,625
Tennis team	5,200	5,200	3,547	(1,653)
Tennis lessons	9,250	9,250	10,626	1,376
Tennis fees	3,850	3,850	1,942	(1,908)

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES (continued)				
Summer recreation and children's activities	\$ 16,150	\$ 16,150	\$ 14,725	\$ (1,425)
Baseball	10,250	10,250	9,969	(281)
Summer sports programs	5,125	5,125	3,215	(1,910)
Aerobic/exercise	40,600	40,600	24,732	(15,868)
Soda sales	12,000	12,000	7,009	(4,991)
Picnic reservations	4,300	4,300	4,837	537
Adult programs	650	650	2,238	1,588
Shared Programs	4,750	4,750	4,749	(1)
Miscellaneous recreation	1,125	1,125	499	(626)
Public works				
Solid waste user charge	461,000	461,000	465,160	4,160
Miscellaneous public works	7,110	7,110	8,663	1,553
	<u>677,410</u>	<u>677,410</u>	<u>661,008</u>	<u>(16,402)</u>
COMMERCIAL REVENUES				
Investment income	14,000	14,000	20,357	6,357
Cell tower lease revenue	124,500	124,500	127,807	3,307
Donations	400	400	1,588	1,188
Miscellaneous revenue	200	200	8,627	8,427
	<u>139,100</u>	<u>139,100</u>	<u>158,379</u>	<u>19,279</u>
TOTAL REVENUES ON BUDGETARY BASIS	<u>\$ 5,638,890</u>	<u>\$ 5,638,890</u>	5,670,372	<u>\$ 31,482</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Commercial revenue			43,949	
Sale of village assets			5,350	
TOTAL REVENUES			<u>\$ 5,719,671</u>	

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES AND TRANSFERS (Non-GAAP)

Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT				
General Government				
Salaries and wages	\$ 311,745	313,245	\$ 302,588	\$ 10,657
Fringe benefits	113,575	113,575	109,404	4,171
Legal	25,000	25,000	17,364	7,636
Attorney's retainer	12,325	12,325	12,807	(482)
Election	5,665	5,665	4,964	701
Office supplies	5,500	5,500	5,847	(347)
Printing, publishing, and postage	14,000	14,000	13,148	852
Utilities	108,000	108,000	109,445	(1,445)
Contracted services		-		
Tax roll preparation	4,500	4,500	4,538	(38)
Weights and measures	800	800	800	-
Audit and accounting	12,500	12,500	11,441	1,059
Payroll service	6,400	6,400	6,553	(153)
Assessor services	101,000	101,000	98,756	2,244
Elmbrook humane society	8,925	8,925	8,925	-
Wildlife management	5,000	5,000	3,630	1,370
Computer maintenance	51,000	51,000	50,621	379
Office equipment maintenance	7,500	7,500	7,408	92
Building cleaning	25,400	25,400	23,100	2,300
Internet expense	13,500	13,500	16,144	(2,644)
Zoning administrative	2,500	2,500	3,468	(968)
GIS expense	6,000	6,000	6,610	(610)
Insurance	207,350	207,350	210,044	(2,694)
Training, dues, memberships	10,000	10,000	11,213	(1,213)
License expense	2,000	2,000	1,762	238
Community relations	4,000	4,000	2,839	1,161
July 4th celebration	14,000	14,000	13,293	707
Building maintenance	22,000	22,000	30,785	(8,785)
Write-off delinquent taxes		-	1,719	(1,719)
Miscellaneous	4,500	4,500	4,734	(234)
	<u>1,104,685</u>	<u>1,106,185</u>	<u>1,093,950</u>	<u>12,235</u>
Municipal Court				
Salaries and wages	43,350	43,350	43,388	(38)
Fringe benefits	6,260	6,260	5,900	360
Office supplies and operating expenses	3,000	3,000	2,969	31
Miscellaneous	4,200	4,200	3,352	848
Judicial education	1,200	1,200	1,378	(178)
Legal	40,000	40,000	52,055	(12,055)
	<u>98,010</u>	<u>98,010</u>	<u>109,042</u>	<u>(11,032)</u>
Total General Government	<u>1,202,695</u>	<u>1,204,195</u>	<u>1,202,992</u>	<u>1,203</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES AND TRANSFERS (Non-GAAP)

Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Public Safety				
Police Department				
Salaries and wages	\$ 1,283,300	\$ 1,400,800	\$ 1,406,326	\$ (5,526)
Fringe benefits	758,310	758,310	744,505	13,805
Uniform/mileage	8,800	8,800	8,422	378
Equipment maintenance	65,300	65,300	42,864	22,436
Memberships and training	14,900	14,900	16,008	(1,108)
Sundry	12,300	12,300	16,399	(4,099)
	<u>2,142,910</u>	<u>2,260,410</u>	<u>2,234,524</u>	<u>25,886</u>
Dispatch Department				
Salaries and wages	259,000	270,500	276,657	(6,157)
Fringe benefits	99,725	97,155	93,821	3,334
Uniform/mileage	300	300	665	(365)
Communications maintenance	49,600	49,600	43,100	6,500
Memberships and training	2,600	2,600	1,433	1,167
Sundry	3,250	3,250	2,057	1,193
	<u>414,475</u>	<u>423,405</u>	<u>417,733</u>	<u>5,672</u>
Fire Department				
Wages and paid on call	184,450	184,450	175,450	9,000
Fringe benefits	37,775	37,775	38,149	(374)
Special response team	2,475	2,475	2,469	6
Fire drill payments	10,200	10,200	10,200	-
Equipment and operating	20,050	20,050	28,527	(8,477)
Communications maintenance	2,250	2,250	1,784	466
Memberships, training, prevention	6,000	6,000	4,582	1,418
	<u>263,200</u>	<u>263,200</u>	<u>261,161</u>	<u>2,039</u>
Inspection				
Building	50,000	50,000	69,758	(19,758)
Electrical	14,250	14,250	23,588	(9,338)
Plumbing	13,500	13,500	19,167	(5,667)
Special	1,000	1,000	3,303	(2,303)
	<u>78,750</u>	<u>78,750</u>	<u>115,816</u>	<u>(37,066)</u>
Total Public Safety	<u>2,899,335</u>	<u>3,025,765</u>	<u>3,029,234</u>	<u>(3,469)</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES AND TRANSFERS (Non-GAAP)

Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Health and Sanitation				
Salaries and wages	\$ 48,250	\$ 48,250	\$ 47,930	\$ 320
Fringe benefits	20,290	20,290	19,025	1,265
Waste collection	240,225	240,225	235,360	4,865
Recycling collections	114,785	114,785	112,332	2,453
Brush disposal	37,000	37,000	33,748	3,252
Misc/Household hazardous waste disposal	1,000	1,000	1,397	(397)
Total Health and Sanitation	<u>461,550</u>	<u>461,550</u>	<u>449,792</u>	<u>11,758</u>
Highway and Transportation				
Department of Public Works				
Salaries and wages	300,600	304,600	306,816	(2,216)
Fringe benefits	138,250	138,250	139,252	(1,002)
Utilities	16,500	16,500	17,207	(707)
Pavement maintenance	125,000	20,000	17,605	2,395
Snow and ice control	27,000	27,000	57,368	(30,368)
Building and ground maintenance	5,000	5,000	10,158	(5,158)
Traffic control	37,000	37,000	38,705	(1,705)
Equipment maintenance	71,875	71,875	76,861	(4,986)
Sundry	8,000	8,000	7,784	216
Engineering	5,000	5,000	9,758	(4,758)
	<u>734,225</u>	<u>633,225</u>	<u>681,514</u>	<u>(48,289)</u>
Forestry				
Salaries and wages	61,000	62,500	63,410	(910)
Fringe benefits	13,295	13,295	13,625	(330)
Forestry tree care	43,000	43,000	33,366	9,634
Diseased tree treatment	2,500	2,500	1,515	985
Landscaping	7,000	7,000	4,213	2,787
Miscellaneous	700	700	937	(237)
	<u>127,495</u>	<u>128,995</u>	<u>117,066</u>	<u>11,929</u>
Total Highway, Transportation, and Forestry	<u>861,720</u>	<u>762,220</u>	<u>798,580</u>	<u>(36,360)</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES AND TRANSFERS (Non-GAAP)

Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Park and Recreation				
Salaries and wages	\$ 96,500	\$ 96,500	\$ 95,787	\$ 713
Fringe benefits	14,050	14,050	14,542	(492)
Instructor fees	27,000	27,000	22,861	4,139
Operating expenses and utilities	28,950	28,950	29,089	(139)
Printing and miscellaneous	11,600	11,600	13,766	(2,166)
Baseball program	5,750	5,750	5,434	316
Swimming program	3,400	3,400	3,498	(98)
Tennis program	1,000	1,000	814	186
Soda/snack	6,300	6,300	4,232	2,068
Summer recreation	5,050	5,050	5,838	(788)
Total Park and Recreation	<u>199,600</u>	<u>199,600</u>	<u>195,861</u>	<u>3,739</u>
TOTAL CURRENT	<u>5,624,900</u>	<u>5,653,330</u>	<u>5,676,459</u>	<u>(23,129)</u>
Contingency	<u>206,465</u>	<u>69,535</u>	-	<u>69,535</u>
Total Contingency	<u>206,465</u>	<u>69,535</u>	-	<u>69,535</u>
Capital Outlay				
Police- Vests	<u>3,200</u>	<u>3,200</u>	<u>1,315</u>	<u>1,885</u>
Transfers out				
Library Operating Fund	-	3,500	-	3,500
Capital Project Fund	-	105,000	105,000	-
	-	108,500	105,000	3,500
TOTAL EXPENDITURES AND TRANSFERS ON BUDGETARY BASIS	<u>\$ 5,834,565</u>	<u>\$ 5,834,565</u>	5,782,774	<u>\$ 51,791</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Expenditures charged to designated accounts				
General Government			13,780	
Transfer to library			200	
Public Safety			3,360	
Park and Recreation			3,854	
Capital Outlay			24,332	
TOTAL EXPENDITURES AND TRANSFERS			<u>5,828,300</u>	

DEBT SERVICE FUND

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payments of, the Village's general obligation long-term debt principal and interest.

VILLAGE OF ELM GROVE

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual For the Year Ended December 31, 2013

	Budgeted Amounts		
	Original & Final	Actual	Variance
REVENUES			
Commercial Revenue	\$ 1,600	\$ 1,415	\$ (185)
EXPENDITURES			
Debt service			
Principal	850,000	850,000	-
Interest	235,620	235,619	1
Total Expenditures	<u>1,085,620</u>	<u>1,085,619</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,084,020)</u>	<u>(1,084,204)</u>	<u>(184)</u>
OTHER FINANCING SOURCES			
Transfers in			
Special revenue funds			
Sewer fund	366,000	365,985	(15)
Stormwater fund	366,400	366,382	(18)
TID # 2	353,255	353,252	(3)
Total Other Financing Sources	<u>1,085,655</u>	<u>1,085,619</u>	<u>(36)</u>
Net change in fund balance	<u>\$ 1,635</u>	1,415	<u>\$ (220)</u>
FUND BALANCE - Beginning of Year		<u>866,828</u>	
FUND BALANCE - END OF YEAR		<u>\$ 868,243</u>	

CAPITAL PROJECTS FUND

5 Year Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities, equipment, or projects.

VILLAGE OF ELM GROVE

**5 Year Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual**

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 539,000	\$ 539,000	\$ 539,000	\$ -
Intergovernmental revenue	-	-	5,490	5,490
Commercial revenues				
Donations	12,000	12,000	-	(12,000)
Investment income	5,000	5,000	4,237	(763)
Total Revenues	<u>556,000</u>	<u>556,000</u>	<u>548,727</u>	<u>(7,273)</u>
EXPENDITURES				
Capital outlay				
Equipment	485,525	485,525	197,457	288,068
Building and land improvements	102,000	102,000	92,622	9,378
Infrastructure	305,500	305,500	154,599	150,901
Other	8,350	8,350	-	8,350
Total Expenditures	<u>901,375</u>	<u>901,375</u>	<u>444,678</u>	<u>456,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(345,375)</u>	<u>(345,375)</u>	<u>104,049</u>	<u>(463,970)</u>
OTHER FINANCING SOURCES				
Sale of village property	-	-	3,439	3,439
Transfer in				
General fund	-	105,000	105,000	-
	<u>-</u>	<u>105,000</u>	<u>108,439</u>	<u>3,439</u>
Net change in fund balance	<u>\$ (345,375)</u>	<u>\$ (240,375)</u>	<u>212,488</u>	<u>\$ (460,531)</u>
FUND BALANCE - Beginning of Year			<u>1,662,256</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,874,744</u>	

NONMAJOR FUNDS

Special Revenue Funds

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

Library Fund

This fund is used to account for the activities of the Village's public library.

Emergency Medical Service Fund

This fund is used to account for the activities of the Village's emergency medical service.

Stormwater Operations Fund

This fund is used to account for the activities of the Village's stormwater operations.

Library Gift Fund

This fund accounts for donations received for the Village's library and the expenditure of those funds.

Capital Projects Fund

Water TID #2 Fund

This fund is used to account for the spending of funds designated for the construction of the limited municipal water system within the Village's tax increment financing district # 2 and future expansion of the system.

VILLAGE OF ELM GROVE

Special Revenue Fund - Library Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 336,980	\$ 336,980	\$ 336,980	\$ -
Intergovernmental revenues	31,155	31,155	31,196	41
Public charges for services	15,500	15,500	13,800	(1,700)
Commercial revenues	500	500	285	(215)
Total Revenues	384,135	384,135	382,261	(1,874)
EXPENDITURES				
Current - library				
Salaries and wages	255,900	259,100	256,739	2,361
Fringe benefits	60,795	61,095	60,524	571
New material and book service	48,075	48,075	46,195	1,880
Supplies and equipment maintenance	31,700	31,700	30,100	1,600
Sundry	4,665	4,665	1,518	3,147
Total Expenditures	401,135	404,635	395,076	9,559
Excess (deficiency) of revenues over (under) expenditures	(17,000)	(20,500)	(12,815)	7,685
OTHER FINANCING SOURCES				
Transfer in				
General Fund	-	3,500	200	(3,300)
Net change in fund balance	\$ (17,000)	\$ (17,000)	(12,615)	\$ 4,385
FUND BALANCE - Beginning of Year			18,701	
FUND BALANCE - END OF YEAR			\$ 6,086	

VILLAGE OF ELM GROVE

Special Revenue Fund - Emergency Medical Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
 For the Year Ended December 31, 2013

	Budgeted Amounts		
	Original & Final	Actual	Variance
REVENUES			
Property taxes	\$ 188,500	\$ 188,500	\$ -
Public charges for services	101,000	93,093	(7,907)
Commercial revenues			
Investment income	500	470	(30)
Total Revenues	290,000	282,063	(7,937)
EXPENDITURES			
Current -public safety			
Ambulance			
Wages and paid on call	228,535	215,123	13,412
Fringe benefits	36,865	35,549	1,316
EMT training	3,000	4,292	(1,292)
Uniforms	1,000	1,323	(323)
Medical supplies	10,000	14,840	(4,840)
Ambulance maintenance	3,000	3,889	(889)
Ambulance communications	1,000	827	173
Ambulance billing fees	7,000	6,953	47
Miscellaneous	4,600	4,550	50
Total Expenditures	295,000	287,346	7,654
Excess (deficiency) of revenues over (under) expenditures	\$ (5,000)	(5,283)	\$ (283)
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Revenues credited to designated accounts			
Intergovernmental Revenue		4,740	
Commercial revenue		132,953	
		137,693	
Expenditures charged to designated accounts			
Capital Outlay		38,975	
EMS training		4,918	
Miscellaneous		397	
		44,290	
Net change in fund balance		88,120	
FUND BALANCE - Beginning of Year		66,743	
FUND BALANCE - END OF YEAR		\$ 154,863	

VILLAGE OF ELM GROVE

**Special Revenue Fund - Stormwater Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual**

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual		Variance
	Original & Final				
REVENUES					
Property taxes	\$ 179,000	\$	179,000	\$	-
Public charges for services	418,000		411,325		(6,675)
Commercial revenues - investment income	1,400		1,165		(235)
Total Revenues	598,400		591,490		(6,910)
EXPENDITURES					
Current - health and sanitation					
Infrastructure repair and maintenance	60,000		54,995		5,005
Administrative	157,000		156,620		380
Inspection, engineering, audit	15,000		9,197		5,803
Total Expenditures	232,000		220,812		11,188
Excess of revenues over (under) expenditures	366,400		370,678		4,278
OTHER FINANCING (USES)					
Transfer out					
Debt Service	(366,400)		(366,382)		18
Net change in fund balance	\$ -		4,296		\$ 4,296
FUND BALANCE - Beginning of Year			236,036		
FUND BALANCE - END OF YEAR			\$ 240,332		

VILLAGE OF ELM GROVE

Special Revenue Fund - Library Gift Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		
	<u>Original & Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Commercial revenues			
Donations	\$ -	\$ 42,831	\$ 42,831
Investment Income	-	70	70
Total Revenues	<u>-</u>	<u>42,901</u>	<u>42,901</u>
EXPENDITURES			
Current			
Library Materials	-	42,823	(42,823)
Library Furnishings	-	1,840	(1,840)
	<u>-</u>	<u>44,663</u>	<u>(44,663)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,762)</u>	<u>\$ (1,762)</u>
FUND BALANCE - Beginning of Year		<u>57,547</u>	
FUND BALANCE - END OF YEAR		<u>\$ 55,785</u>	

VILLAGE OF ELM GROVE

Capital Projects Fund - Water TID #2 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
 For the Year Ended December 31, 2013

	Budgeted Amounts		
	Original & Final	Actual	Variance
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay - TID project	-	893,559	(893,559)
Capital outlay - Park Condo Extension	-	28,751	(28,751)
Total Expenditures	-	922,310	(922,310)
Net change in fund balance	\$ -	(922,310)	\$ (922,310)
FUND BALANCE (Deficit) - Beginning of Year		(29,827)	
FUND BALANCE (Deficit) - END OF YEAR		\$ (952,137)	

FIDUCIARY FUND

AGENCY FUND

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

Tax Collection Fund

This fund accounts for the collection of property tax for other taxing governmental agencies and the distributions made to those agencies.

VILLAGE OF ELM GROVE

Statement of Changes in Assets and Liabilities

Agency Fund - Tax Collection Fund

As of December 31, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and investments	\$ 7,758,533	\$ 7,858,241	\$ (7,758,533)	\$ 7,858,241
Taxes receivable	5,897,477	5,481,774	(5,897,477)	5,481,774
Total Assets	<u>\$ 13,656,010</u>	<u>\$ 13,340,015</u>	<u>\$ (13,656,010)</u>	<u>\$ 13,340,015</u>
LIABILITIES				
Due to other taxing units	<u>\$ 13,656,010</u>	<u>\$ 13,340,015</u>	<u>\$ (13,656,010)</u>	<u>\$ 13,340,015</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Village of Elm Grove's comprehensive annual financial report presents detailed information as a framework for understanding what the financial statements, note disclosures, and required supplementary information says about the overall financial well-being of the Village.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	74 - 83
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, property taxes.	84 - 87
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and also the Village's ability to issue additional debt in the future.	88 - 89
Demographic and Economic Information These schedules offer demographic and economic indications to help the reader understand the environment within which the Village's financial activities take place.	90 - 92
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	93 - 94

Sources: The Village is issuing its first comprehensive annual financial report for the year ended December 31, 2013. Information in these statistical tables was obtained from the sources identified and village records. Not all tables demonstrate a 10 year summary. It is the Village's intention to begin recording these statistics and to develop the 10 year summary over future years.

**Village of Elm Grove
 Net Position by Component
 Last Nine Fiscal Years**

Table 1

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities									
Net investment in capital assets	\$ 14,058,460	\$ 14,451,114	\$ 15,484,359	\$ 15,119,990	\$ 15,262,257	\$ 15,262,863	\$ 17,074,144	\$ 16,855,319	\$ 17,095,963
Restricted	538,687	895,563	1,559,711	1,931,546	1,398,898	701,048	1,361,919	681,483	830,689
Unrestricted (deficit)	(1,810,729)	(1,509,633)	(1,194,938)	(701,639)	(254,345)	1,032,474	110,321	2,971,576	2,444,563
Total Governmental Activities Net Position	<u>\$ 12,786,418</u>	<u>\$ 13,837,044</u>	<u>\$ 15,849,132</u>	<u>\$ 16,349,897</u>	<u>\$ 16,406,810</u>	<u>\$ 16,996,385</u>	<u>\$ 18,546,384</u>	<u>\$ 20,508,378</u>	<u>\$ 20,371,215</u>

Data Source: Village of Elm Grove Annual Financial Reports

Table 2

**Village of Elm Grove
Change in Net Position
Last Nine Fiscal Years**

<u>Expenses</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
General government	\$1,220,123	\$1,241,470	\$1,307,141	\$1,374,559
Public Safety	2,755,171	2,788,513	2,903,225	3,053,278
Health and sanitation	2,349,812	2,367,475	2,368,436	3,039,426
Highway and transportation	1,041,594	859,564	1,012,489	1,035,706
Library	345,818	386,349	376,649	401,397
Park and recreation	255,601	229,129	394,332	347,371
Community Development	-	362,101	-	-
Interest and Fiscal Charges	487,350	663,560	689,719	621,912
Total Governmental Activities	<u>8,455,469</u>	<u>8,898,161</u>	<u>9,051,991</u>	<u>9,873,649</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for services				
General government	29,071	58,213	26,717	5,471
Public safety	309,995	441,617	415,903	463,716
Health and sanitation	1,286,266	1,369,723	1,432,464	1,469,448
Public works	7,956		6,715	15,811
Library	12,707	12,268	13,660	15,150
Park and recreation	161,931	148,334	165,719	200,635
Operating grants and contributions	566,196	579,625	609,091	883,450
Capital grants and contributions	484,857	76,510	1,087,545	33,065
Total Program Revenues, Grants and Contributions	<u>2,858,979</u>	<u>2,686,290</u>	<u>3,757,814</u>	<u>3,086,746</u>
<u>Net Revenue (Expense)</u>	<u>(5,596,490)</u>	<u>(6,211,871)</u>	<u>(5,294,177)</u>	<u>(6,786,903)</u>
<u>General Revenue and Other Changes in Net Position</u>				
Governmental Activities				
Taxes levied				
General Village Operations	3,941,740	4,002,031	3,910,217	3,977,844
MMSD Capital Charge	1,248,750	1,372,500	1,372,500	1,401,350
TIF Fund	-	32,115	106,706	224,155
Capital Fund	328,120	267,600	462,775	461,000
Debt service	475,000	475,000	475,000	475,000
Intergovernmental Revenues	304,180	304,291	283,558	262,856
Investment Income	262,938	621,786	532,936	263,737
Miscellaneous	154,449	187,174	162,573	221,726
Special Item- settlement of lawsuit, WTPR federal funding	-	-	-	-
Total government Activities - General and Other Revenues	<u>6,715,177</u>	<u>7,262,497</u>	<u>7,306,265</u>	<u>7,287,668</u>
<u>Change in Net Position</u>	<u>\$1,118,687</u>	<u>\$1,050,626</u>	<u>\$2,012,088</u>	<u>\$ 500,765</u>

Data Source: Village of Elm Grove Annual Financial Reports

Table 2

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$1,379,041	\$1,255,384	\$1,283,229	\$1,422,768	\$1,403,462
3,405,247	3,317,707	4,052,000	3,284,598	3,309,156
3,122,607	2,995,497	2,876,611	3,056,274	3,711,448
979,129	1,021,752	1,299,338	1,102,688	1,192,854
404,537	416,425	423,337	441,712	455,467
351,747	342,267	316,343	311,277	290,622
-	-	-	-	-
598,956	562,945	441,711	172,892	396,125
<u>10,241,264</u>	<u>9,911,977</u>	<u>10,692,569</u>	<u>9,792,209</u>	<u>10,759,134</u>
7,192	13,490	18,434	9,752	6,539
398,820	442,860	423,271	421,163	445,931
1,559,808	1,602,791	1,700,490	1,758,946	1,721,793
8,723	6,740	19,750	28,831	10,246
13,898	13,324	15,000	14,628	13,800
222,455	237,136	197,824	182,431	169,953
705,559	703,360	722,881	716,792	609,911
142,262	3,880	1,650,982	29,953	5,490
<u>3,058,717</u>	<u>3,023,581</u>	<u>4,748,632</u>	<u>3,162,496</u>	<u>2,983,663</u>
<u>(7,182,547)</u>	<u>(6,888,396)</u>	<u>(5,943,937)</u>	<u>(6,629,713)</u>	<u>(7,775,471)</u>
4,386,235	4,524,987	4,571,793	4,567,260	4,428,895
1,375,000	1,252,000	1,392,802	1,466,940	1,464,500
368,867	477,472	437,809	341,594	475,181
343,500	355,375	487,500	459,195	600,000
250,000	200,000	-	-	-
238,660	212,968	228,595	217,394	207,048
71,104	63,286	37,882	25,696	32,339
206,094	248,925	292,375	263,628	430,345
-	142,958	-	1,250,000	-
<u>7,239,460</u>	<u>7,477,971</u>	<u>7,448,756</u>	<u>8,591,707</u>	<u>7,638,308</u>
<u>\$ 56,913</u>	<u>\$ 589,575</u>	<u>\$1,504,819</u>	<u>\$1,961,994</u>	<u>\$ (137,163)</u>

Village of Elm Grove
Fund Balance- Governmental Funds
Last Ten Fiscal Years

Table 3

	<u>2004</u>	<u>2005 (2)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (3)</u>	<u>2011 (4)</u>	<u>2012</u>	<u>2013</u>
General Fund:										
Reserved	\$ 30,460	\$ 66,921	\$ 53,897	\$ 99,825	\$ 239,249	\$ 760,482	\$ 1,016,600	\$ -	\$ -	\$ -
Unreserved - designated	684,263	1,100,830	1,231,901	1,254,216	1,256,351	1,249,598	1,114,573	-	-	-
Unreserved - undesignated	876,411	688,665	1,042,320	1,044,807	915,130	400,417	291,560	-	-	-
Nonspendable	-	-	-	-	-	-	-	882,615	144,235	992,657
Restricted	-	-	-	-	-	-	-	26,159	25,745	15,665
Assigned	-	-	-	-	-	-	-	166,499	155,122	229,651
Unassigned	-	-	-	-	-	-	-	1,315,420	2,047,938	1,026,438
Total general fund	1,591,134	1,856,416	2,328,118	2,398,848	2,410,730	2,410,497	2,422,733	2,390,693	2,373,040	2,264,411
All Other Governmental Funds:										
Reserved	789,402	4,031,044	3,898,390	2,308,522	2,455,414	2,793,981	1,956,662	-	-	-
Unreserved - designated	1,742,112	5,320,138	1,393,246	1,488,293	2,278,361	2,218,774	1,917,354	-	-	-
Unreserved - undesignated (deficit)	(56,007)	(13,811)	(583,662)	(892,098)	(1,565,324)	(1,990,441)	(1,707,975)	-	-	-
Nonspendable	-	-	-	-	-	-	-	595,056	-	508,740
Restricted	-	-	-	-	-	-	-	811,905	1,344,873	900,828
Committed	-	-	-	-	-	-	-	2,169,221	2,649,752	3,019,737
Unassigned	-	-	-	-	-	-	-	(1,421,928)	(629,173)	(1,422,832)
Total all other governmental funds	2,475,507	9,337,371	4,707,974	2,904,717	3,168,451	3,022,314	2,166,041	2,154,254	3,365,452	3,006,473
Total Governmental Funds										
Reserved	819,862	4,097,965	3,952,287	2,408,347	2,694,663	3,554,463	2,973,262	-	-	-
Unreserved - designated	2,426,375	6,420,968	2,625,147	2,742,509	3,534,712	3,468,372	3,031,927	-	-	-
Unreserved - undesignated (deficit)	820,404	674,854	458,658	152,709	(650,194)	(1,590,024)	(1,416,415)	-	-	-
Non-spendable	-	-	-	-	-	-	-	1,477,671	144,235	1,501,397
Restricted	-	-	-	-	-	-	-	838,064	1,370,618	916,493
Committed	-	-	-	-	-	-	-	2,169,221	2,649,752	3,019,737
Assigned	-	-	-	-	-	-	-	166,499	155,122	229,651
Unassigned	-	-	-	-	-	-	-	(106,508)	1,418,765	(396,394)
Total all governmental funds (1)	\$ 4,066,641	\$ 11,193,787	\$ 7,036,092	\$ 5,303,565	\$ 5,579,181	\$ 5,432,811	\$ 4,588,774	\$ 4,544,947	\$ 5,738,492	\$ 5,270,884

- (1) See the notes to financial statements "Net Position/Fund Balances" for complete details on the fund balance classification
- (2) Increase is due to issuance of \$7,235,000 of general obligation debt for its stormwater management project.
- (3) Reduction due to the prepayment of general obligation debt in the amount of \$1,000,000 with funds on hand in conjunction with a debt refunding.
- (4) Reflects the implementation of GASB 54 (as of December 31, 2011), new fund balance reporting categories

Data Source: Village of Elm Grove Annual Financial Reports

Village of Elm Grove
Change in Fund Balances - Governmental Funds
Last Ten Fiscal Years

Table 4

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$ 5,679,979	\$ 5,993,610	\$ 6,149,246	\$ 6,327,198	\$ 6,539,349
Intergovernmental revenues	1,759,375	1,355,231	960,427	1,980,179	1,045,762
Licenses and permits	152,596	152,935	251,348	164,929	175,661
Fines, forfeitures and penalties	128,329	114,153	182,511	228,889	235,087
Public charges for services	1,315,677	1,577,747	1,637,242	1,710,006	1,807,716
Commercial revenues	310,741	380,475	794,713	659,060	450,352
Total Revenues	<u>9,346,697</u>	<u>9,574,151</u>	<u>9,975,487</u>	<u>11,070,261</u>	<u>10,253,927</u>
Expenditures					
Current					
General government	944,819	1,058,137	1,052,898	1,122,745	1,185,272
Public Safety	2,425,751	2,526,752	2,555,152	2,661,454	2,790,799
Health and sanitation	2,292,268	2,326,671	2,288,633	2,244,823	2,519,485
Highway and transportation	701,196	714,075	686,897	800,231	842,725
Library	350,980	360,138	371,249	366,795	390,242
Park and recreation	167,904	184,694	194,881	206,848	235,274
Community Development	-	-	362,101	-	-
Capital outlay	4,220,090	2,093,965	5,464,757	4,142,771	736,275
Debt service					
Principal	1,249,337	824,432	559,432	579,432	634,432
Interest	472,891	471,483	597,182	677,689	643,807
Total Expenditures	<u>12,825,236</u>	<u>10,560,347</u>	<u>14,133,182</u>	<u>12,802,788</u>	<u>9,978,311</u>
Excess of revenues over (under) expenditures	(3,478,539)	(986,196)	(4,157,695)	(1,732,527)	275,616
OTHER FINANCING SOURCES (USES)					
Settlement of lawsuit	-	-	-	-	-
Sale of village assets	-	-	-	-	-
Transfers in	866,138	764,914	8,039,890	1,260,197	1,268,454
Transfers out	(866,138)	(762,062)	(8,039,890)	(1,260,197)	(1,268,454)
Proceeds from long term debt	-	7,235,000	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-
Advance bond refunding	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,237,852</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,478,539)</u>	<u>\$ 6,251,656</u>	<u>\$ (4,157,695)</u>	<u>\$ (1,732,527)</u>	<u>\$ 275,616</u>
Capitalized expenditures	4,307,410	1,552,551	5,576,868	4,273,691	846,696
Debt service as a percentage of non-capital expenditures	20.22%	14.39%	13.52%	14.74%	14.00%

Data Source: Village of Elm Grove Annual Financial Reports

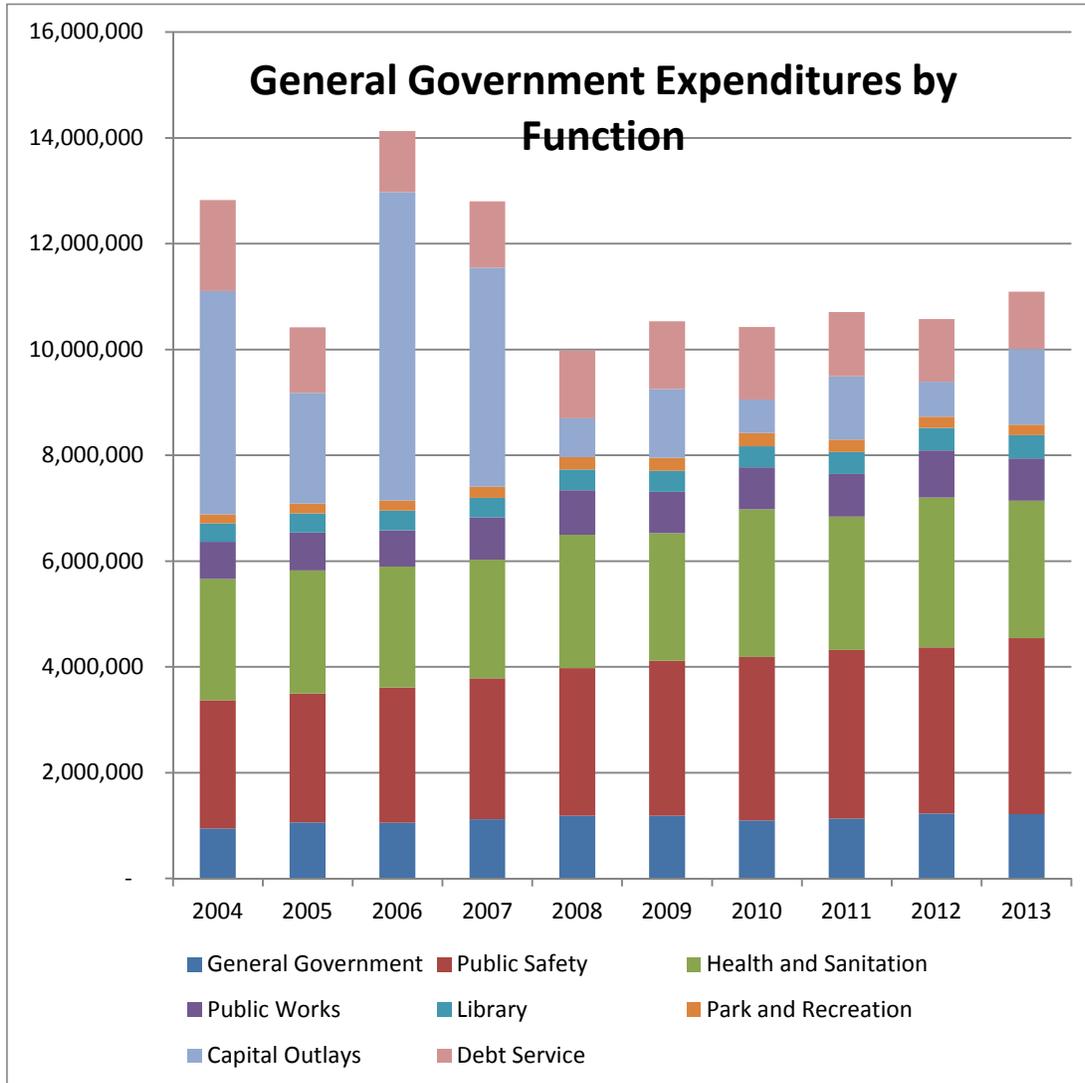
Table 4

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,723,602	\$ 6,809,834	\$ 6,889,904	\$ 6,834,989	\$ 6,968,576
1,167,040	920,208	978,098	964,139	822,448
135,068	182,004	184,210	214,648	255,904
211,488	202,269	190,205	159,019	155,977
1,919,476	1,978,516	2,058,742	2,102,510	2,026,118
228,968	244,781	277,812	228,274	390,025
<u>10,385,642</u>	<u>10,337,612</u>	<u>10,578,971</u>	<u>10,503,579</u>	<u>10,619,048</u>
1,183,220	1,097,641	1,132,892	1,228,685	1,217,422
2,930,830	3,090,838	3,184,143	3,138,141	3,325,255
2,411,053	2,791,191	2,523,402	2,834,451	2,597,144
787,253	795,147	807,872	887,923	798,580
393,447	397,207	414,743	429,026	439,739
249,880	250,754	233,013	210,244	199,715
-	-	-	-	-
1,297,015	631,378	1,197,865	665,106	1,431,610
675,000	735,000	780,000	960,000	850,000
604,314	633,955	435,276	221,449	235,980
<u>10,532,012</u>	<u>10,423,111</u>	<u>10,709,206</u>	<u>10,575,025</u>	<u>11,095,445</u>
(146,370)	(85,499)	(130,235)	(71,446)	(476,397)
-	142,958	-	1,250,000	-
-	38,504	41,228	44,792	8,789
1,414,078	1,411,288	1,505,203	1,836,382	1,190,819
(1,414,078)	(1,411,288)	(1,505,203)	(1,836,382)	(1,190,819)
-	-	-	-	-
-	2,115,000	-	9,450,000	-
-	-	-	225,482	-
-	-	-	(53,873)	-
-	(3,055,000)	-	(9,651,410)	-
-	(758,538)	41,228	1,264,991	8,789
<u>\$ (146,370)</u>	<u>\$ (844,037)</u>	<u>\$ (89,007)</u>	<u>\$ 1,193,545</u>	<u>\$ (467,608)</u>
1,358,188	709,333	2,905,103	783,096	461,170
13.95%	14.09%	15.57%	12.07%	10.21%

**Village of Elm Grove
General Government Expenditures by Function
Last Ten Fiscal Years**

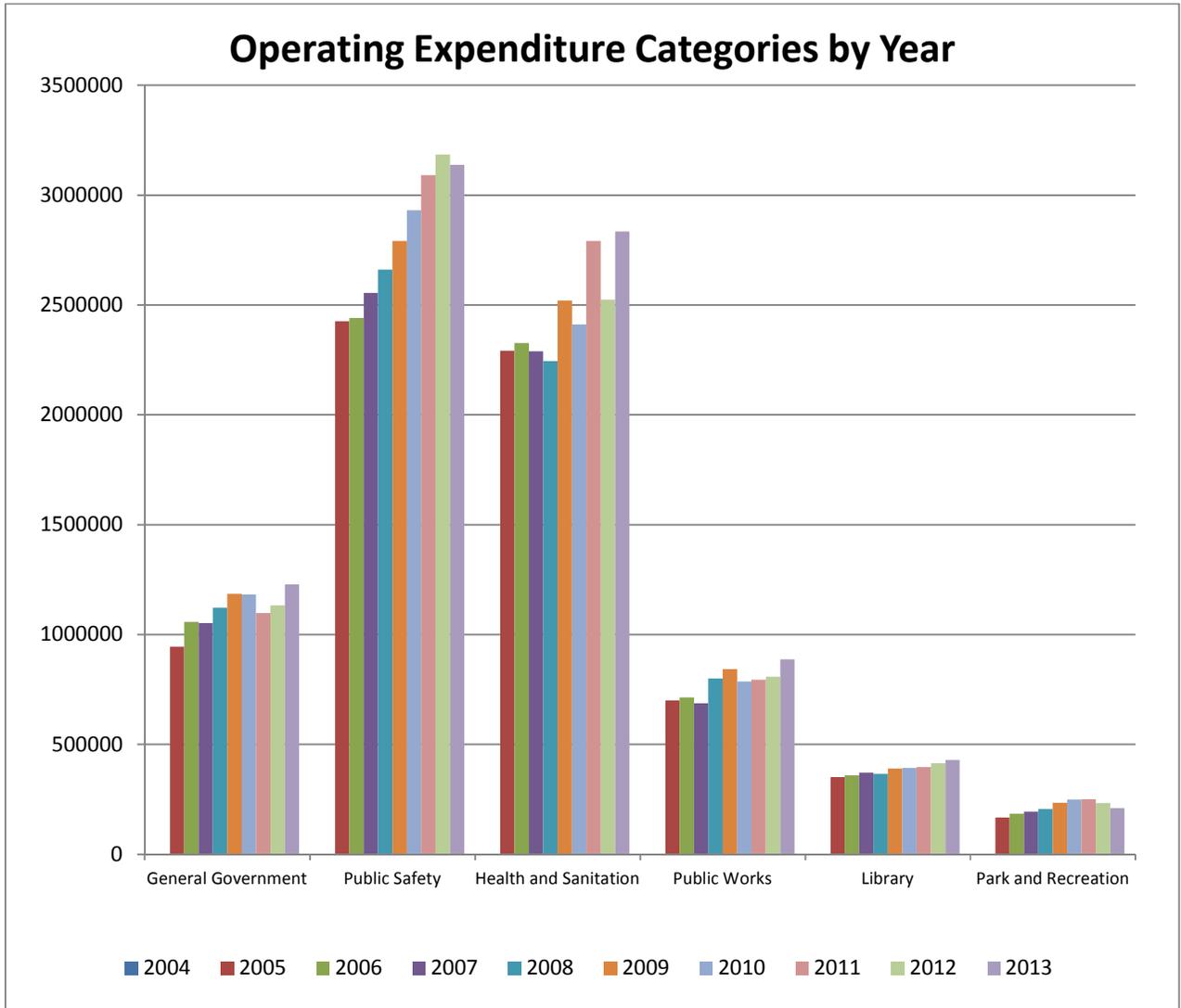
Fiscal Year	General Government		Public Safety		Health and Sanitation		Public Works	
2004	\$ 944,819	7.37%	\$ 2,425,751	18.91%	\$ 2,292,268	17.87%	\$ 701,196	5.47%
2005	1,058,137	10.02%	2,526,752	23.93%	2,326,671	22.03%	714,075	6.76%
2006	1,052,898	7.45%	2,555,152	18.08%	2,288,633	16.19%	686,897	4.86%
2007	1,122,745	8.77%	2,661,454	20.79%	2,244,823	17.53%	800,231	6.25%
2008	1,185,272	11.88%	2,790,799	27.96%	2,519,485	25.25%	842,725	8.45%
2009	1,183,220	11.23%	2,930,830	27.84%	2,411,053	22.89%	787,253	7.47%
2010	1,097,641	10.53%	3,090,838	29.65%	2,791,191	26.78%	795,147	7.63%
2011	1,132,892	10.58%	3,184,143	29.73%	2,523,402	23.56%	807,872	7.54%
2012	1,228,685	11.62%	3,138,141	29.67%	2,834,451	26.80%	887,923	8.40%
2013	1,217,422	10.97%	3,325,255	29.97%	2,597,144	23.41%	798,580	7.20%

Village of Elm Grove, Wisconsin



Data Source: Village of Elm Grove Annual Financial Reports

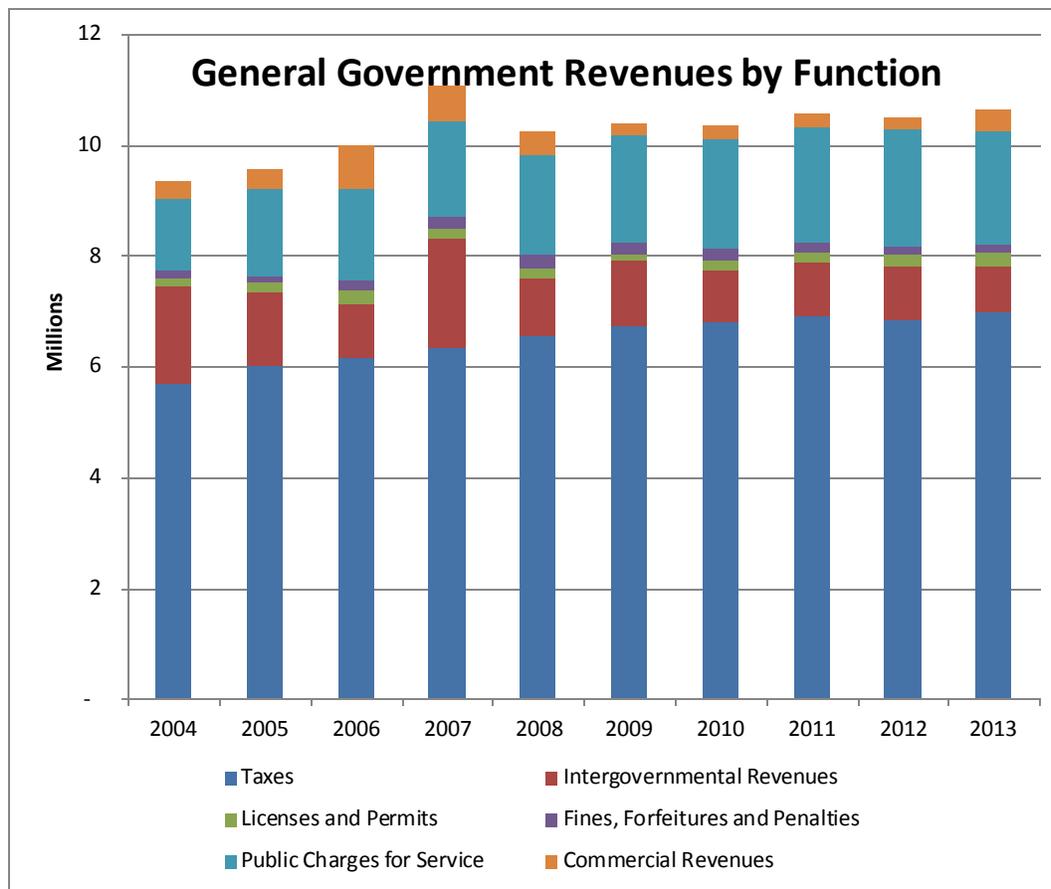
Library		Park and Recreation		Capital Outlay		Debt Service		Total Expenditures
\$ 350,980	2.74%	\$ 167,904	1.31%	\$4,220,090	32.90%	\$1,722,228	13.43%	\$ 12,825,236
360,138	3.41%	184,694	1.75%	2,093,965	19.83%	1,295,915	12.27%	10,560,347
371,249	2.63%	194,881	1.38%	5,826,858	41.23%	1,156,614	8.18%	14,133,182
366,795	2.86%	206,848	1.62%	4,142,771	32.36%	1,257,121	9.82%	12,802,788
390,242	3.91%	235,274	2.36%	736,275	7.38%	1,278,239	12.81%	9,978,311
393,447	3.74%	249,880	2.37%	1,297,015	12.31%	1,279,314	12.15%	10,532,012
397,207	3.81%	250,754	2.41%	631,378	6.06%	1,368,955	13.13%	10,423,111
414,743	3.87%	233,013	2.18%	1,197,865	11.19%	1,215,276	11.35%	10,709,206
429,026	4.06%	210,244	1.99%	665,106	6.29%	1,181,449	11.17%	10,575,025
439,739	3.96%	199,715	1.80%	1,431,610	12.90%	1,085,980	9.79%	11,095,445



**Village of Elm Grove
General Government Revenues by Source
Last Ten Fiscal Years**

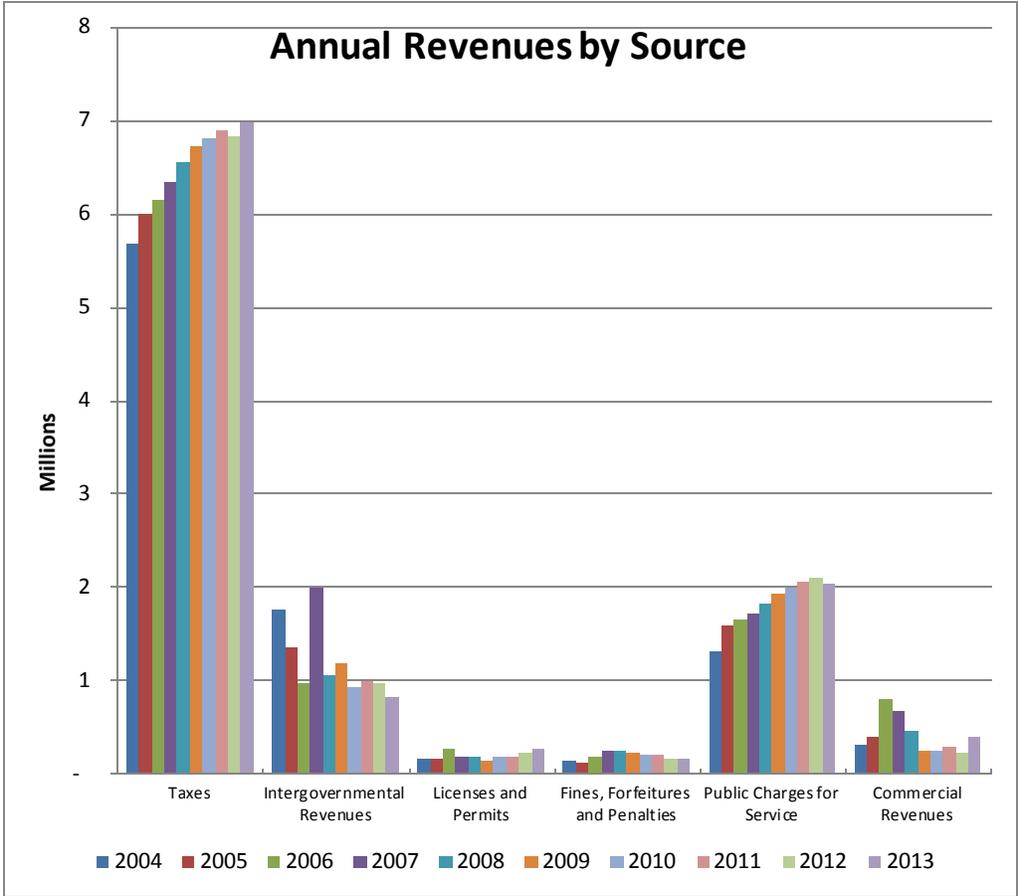
Fiscal Year	Taxes		Intergovernmental Revenues		Licenses and Permits		Fines, Forfeitures and Penalties	
	\$	%	\$	%	\$	%	\$	%
2004	\$ 5,679,979	60.77%	\$ 1,759,375	18.83%	\$ 152,596	1.63%	\$ 128,329	1.37%
2005	5,993,610	62.60%	1,355,231	14.16%	152,935	1.60%	114,153	1.19%
2006	6,149,246	61.64%	960,427	9.63%	251,348	2.52%	182,511	1.83%
2007	6,327,198	57.15%	1,980,179	17.89%	164,929	1.49%	228,889	2.07%
2008	6,539,349	63.77%	1,045,762	10.21%	175,661	1.71%	235,087	2.29%
2009	6,723,602	64.74%	1,167,040	11.24%	135,068	1.30%	211,488	2.04%
2010	6,809,834	65.87%	920,208	8.90%	182,004	1.76%	202,269	1.96%
2011	6,889,904	65.13%	978,098	9.24%	184,210	1.74%	190,205	1.80%
2012	6,834,989	65.07%	964,139	9.19%	214,648	2.04%	159,019	1.51%
2013	6,968,576	65.62%	822,448	7.75%	255,904	2.41%	155,977	1.47%

Village of Elm Grove, Wisconsin



Data Source: Village of Elm Grove Annual Financial Reports

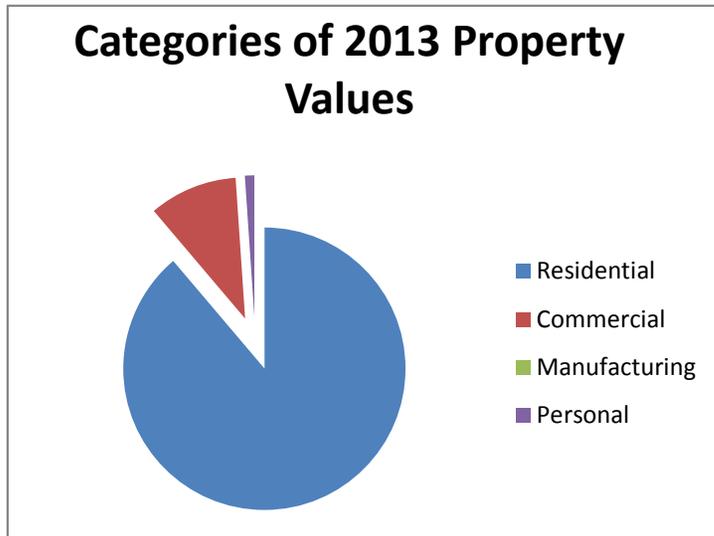
Public Charges for Service		Commercial Revenues		Total Revenues
\$ 1,315,677	14.08%	\$ 310,741	3.32%	\$ 9,346,697
1,577,747	16.48%	380,475	3.97%	9,574,151
1,637,242	16.41%	794,713	7.97%	9,975,487
1,710,006	15.45%	659,060	5.95%	11,070,261
1,807,716	17.63%	450,352	4.39%	10,253,927
1,919,476	18.48%	228,968	2.20%	10,385,642
1,978,516	19.14%	244,781	2.37%	10,337,612
2,058,742	19.46%	277,812	2.63%	10,578,971
2,102,510	20.02%	228,274	2.17%	10,503,579
2,026,118	19.08%	390,025	3.67%	10,619,048



**Village of Elm Grove
Assessed Value and Equalized Value of Taxable Property
Last Ten Fiscal Years**

Table 7

Year	Assessed Value				Total Assessed Value	Total Equalized Value	Ratio Assessed to Equalized	Total Direct Tax Rate
	Residential	Commercial	Manufacturing	Personal				
2004	\$ 842,744,500	\$ 92,061,100	\$ 1,291,400	\$ 7,348,645	\$ 943,445,645	\$ 934,802,600	100.92%	\$ 6.36
2005	913,890,700	92,927,700	1,370,800	7,889,505	1,016,078,705	999,465,800	101.66%	\$ 6.02
2006	971,360,400	102,219,652	1,364,100	7,829,570	1,082,773,722	1,070,282,900	101.17%	\$ 5.75
2007	995,179,000	105,423,200	1,267,900	8,201,190	1,110,071,290	1,124,478,100	98.72%	\$ 5.69
2008	990,696,700	105,958,200	1,248,800	10,214,100	1,108,117,800	1,138,507,100	97.33%	\$ 5.74
2009	992,712,997	103,506,700	1,242,900	10,316,500	1,107,779,097	1,100,050,700	100.70%	\$ 5.72
2010	969,230,500	102,753,800	1,255,700	10,454,700	1,083,694,700	1,065,098,100	101.75%	\$ 5.96
2011	944,037,500	97,463,700	1,240,400	10,162,700	1,052,904,300	1,047,445,900	100.52%	\$ 6.27
2012	896,618,200	97,970,600	1,226,000	9,226,100	1,005,040,900	1,011,730,300	99.34%	\$ 6.61
2013	870,599,100	99,131,400	-	10,457,700	980,188,200	976,671,200	100.36%	\$ 6.86



Data Source: Village of Elm Grove Assessment Report

Village of Elm Grove
Direct and Overlapping Property Tax Rates
 (Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

	Village Direct Rates							Overlapping Rates					Total Tax Rate	Assessed Valuation
	General Operations	Sewer	Libarary	Other Special Revenue Funds	Capital	Debt Service	Total Direct	Elmbrook School District	Waukesha County	Waukesha County Technical College	State of Wisconsin			
2004	\$ 3.25	\$ 1.62	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.50	\$ 6.36	\$ 8.66	\$ 2.09	\$ 1.25	\$ 0.20	\$ 18.56	\$ 943,445,645	
2005	3.02	1.65	0.31	0.31	0.26	0.47	6.02	8.25	1.93	1.15	0.18	17.53	1,016,078,705	
2006	2.81	1.51	0.29	0.27	0.43	0.44	5.75	8.13	1.81	1.10	0.17	16.96	1,082,773,722	
2007	2.82	1.49	0.28	0.25	0.42	0.43	5.69	7.93	1.80	1.10	0.17	16.69	1,110,071,290	
2008	3.04	1.50	0.31	0.35	0.31	0.23	5.74	8.25	1.84	1.14	0.17	17.14	1,108,117,800	
2009	3.14	1.41	0.31	0.36	0.32	0.18	5.72	8.21	1.86	1.15	0.17	17.11	1,107,799,097	
2010	3.31	1.49	0.32	0.39	0.45	-	5.96	8.79	1.94	1.21	0.17	18.07	1,083,694,700	
2011	3.59	1.53	0.33	0.38	0.44	-	6.27	8.25	2.00	1.24	0.17	17.93	1,052,904,300	
2012	3.77	1.58	0.34	0.37	0.55	-	6.61	8.58	2.12	1.31	0.17	18.79	1,005,040,900	
2013	3.93	1.56	0.37	0.37	0.63	-	6.86	8.57	2.14	1.31	0.17	19.05	\$ 980,188,200	

Data Source: Village of Elm Grove Assessment Report

**Village of Elm Grove
Principal Property Tax Payers
Current Year and Nine years ago**

2013

2013					% of Taxes	
Rank	Taxpayer	Nature of Property	Address	Assessed Value	Levied	
1	Oshcon Corp	UPS Distribution Center	12400 W Bluemound Rd	\$7,832,800	0.80%	
2	Bluemound Holding LLC	Medical Clinic	12500 W Bluemound Rd	\$6,837,200	0.70%	
3	Building Trades United	Office Building	500 Elm Grove Rd	\$5,979,500	0.61%	
4	Western Raquet Club	Private Club	1800 Highland Dr	\$5,502,100	0.56%	
5	Takton	Private Residence	1505 Greenway Terrace	\$4,210,800	0.43%	
6	Town Bank	Bank	13150 Watertown Plank Rd	\$3,847,500	0.39%	
7	Schlifske	Private Residence	1500 Greenway Terrace	\$3,520,800	0.36%	
8	Autumn Grove	Shopping Center	12850 W Bluemound Rd	\$3,420,000	0.35%	
9	Strong	Private Residence	1500 Sunset Dr	\$3,225,000	0.33%	
10	Walgreens	Retail	15350 W Bluemound Rd	\$3,173,800	0.32%	
				\$47,549,500	4.85%	
Total Village Value				<u>\$980,188,200</u>		

2004

2004					% of Taxes	
Rank	Taxpayer	Nature of Property	Address	Assessed Value	Levied	
1	Oshcon Corp	UPS Distribution Center	12400 W Bluemound Rd	\$8,010,000	0.85%	
2	Building Trades	Office Building	500 Elm Grove Road	\$6,281,300	0.67%	
3	Western Raquet Club	Private Club	1800 Highland Dr	\$5,061,300	0.54%	
4	Individuals	Enterprise Credit Union Bldg	12700 W Bluemound Rd	\$2,700,000	0.29%	
5	Healthcare Properties	Medical Office Building	12500 W Bluemound Rd	\$4,687,500	0.50%	
6	James and Patricia William	Office Building	700-740 Pilgrim Parkway	\$4,137,900	0.44%	
7	Robert Yunker	Office Building	12700 W Bluemound Rd	\$3,764,500	0.40%	
8	Village Court LLC	Retail/Office	890 Elm Grove Rd	\$3,389,800	0.36%	
9	Walgreens	Retail	15350 Bluemound Rd	\$2,878,800	0.31%	
10	Stewart Elliott	Retail	15360-15380 Watertown Pl	\$2,798,500	0.30%	
				\$43,709,600	4.63%	
Total Village Value				<u>\$943,445,645</u>		

Data Source: Village of Elm Grove Assessment Report

**Village of Elm Grove
Property Tax Levies and Collections
Last Ten Fiscal Years**

Levy Year	Municipal Property Taxes Levied	Collected within the fiscal year of the levy		Total Collections to Date		
		Amount	Percentage of Levy	Collections in subsequent years	Amount	Percentage of Levy
2004	\$ 5,997,930	\$3,376,167	56.29%	\$ 2,618,983	\$5,995,150	99.95%
2005	6,117,876	3,506,233	57.31%	2,609,744	6,115,977	99.97%
2006	6,225,263	3,437,376	55.22%	2,787,043	6,224,419	99.99%
2007	6,315,194	3,581,485	56.71%	2,731,572	6,313,057	99.97%
2008	6,354,735	3,345,629	52.65%	3,007,156	6,352,785	99.97%
2009	6,332,600	3,350,686	52.91%	2,980,283	6,330,969	99.97%
2010	6,452,095	3,311,683	51.33%	3,135,884	6,447,567	99.93%
2011	6,493,395	3,202,557	49.32%	3,289,243	6,491,800	99.98%
2012	6,493,395	3,689,161	56.81%	2,802,517	6,491,678	99.97%
2013	6,578,820	3,875,405	58.91%		<i>in process</i>	

Data Source: Village of Elm Grove Yearly Budgets and Settlelement reports

**Village of Elm Grove
Ratios of Net General Obligation Debt to Equalized Value and Legal Debt Margin
Last Ten Fiscal Years**

Table 11

Ratios of Net General Bonded Debt Outstanding

Year	Total General Obligation Debt	Debt Service funds available	Net General Obligation Debt	Total Taxable Equalized Value	Ratio of Debt to Equalized Value	Debt per Capita
2004	\$ 10,782,726	\$ 31,772	\$10,750,954	\$ 934,802,600	1.15%	\$ 1,720
2005	16,833,294	37,894	16,795,400	1,045,875,000	1.61%	\$ 2,694
2006	16,273,862	206,364	16,067,498	1,070,282,900	1.50%	\$ 2,588
2007	15,694,430	335,460	15,358,970	1,124,478,100	1.37%	\$ 2,491
2008	15,060,000	482,630	14,577,370	1,138,507,100	1.28%	\$ 2,372
2009	14,385,000	781,542	13,603,458	1,100,050,700	1.24%	\$ 2,209
2010	12,710,000	149,272	12,560,728	1,065,098,100	1.18%	\$ 2,117
2011	11,930,000	269,077	11,660,923	1,047,445,900	1.11%	\$ 1,963
2012	11,350,000	267,481	11,082,519	1,011,730,300	1.10%	\$ 1,869
2013	10,500,000	397,548	10,102,452	976,671,200	1.03%	\$ 1,702

Table 12

Legal Debt Margin (1)

	Total Taxable Equalized Value	Legal Debt Limit 5% of Equalized Value	Net debt applicable to limit	Legal debt margin	Percentage of Outstanding Debt to Limit
2004	\$ 934,802,600	\$ 46,740,130	\$10,750,954	\$ 35,989,176	23.00%
2005	1,045,875,000	52,293,750	16,795,400	35,498,350	32.12%
2006	1,070,282,900	53,514,145	16,067,498	37,446,647	30.02%
2007	1,124,478,100	56,223,905	15,358,970	40,864,935	27.32%
2008	1,138,507,100	56,925,355	14,577,370	42,347,985	25.61%
2009	1,100,050,700	55,002,535	13,603,458	41,399,077	24.73%
2010	1,065,098,100	53,254,905	12,560,728	40,694,177	23.59%
2011	1,047,445,900	52,372,295	11,660,923	40,711,372	22.27%
2012	1,011,730,300	50,586,515	11,082,519	39,503,996	21.91%
2013	976,671,200	48,833,560	10,102,452	38,731,108	20.69%

(1) per Wisconsin state statute, total general obligation indebtedness may not exceed five percent of the equalized value of the Village's taxable property.

Village of Elm Grove
Direct and Overlapping Governmental Activities Debt
As of December 31, 2013

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable to Village	Amount Applicable to Village
<u>Direct</u>			
Village of Elm Grove	\$ 10,500,000	100.00%	\$ 10,500,000
<u>Overlapping</u>			
Waukesha County	\$ 84,235,000	2.07%	\$ 1,743,665
ElmBrook School District	65,390,000	13.57%	8,873,423
Waukesha County Technical College	23,860,000	2.02%	481,972
Total Overlapping	<u>173,485,000</u>		<u>11,099,060</u>
Total Direct and Overlapping Debt	<u>\$ 183,985,000</u>		<u>\$ 21,599,060</u>

Notes:

1. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village.
2. The above schedule estimates the portion of the outstanding debt of these overlapping governments that is supported by Village taxpayers through the taxes levied by these agencies. The percentage represents the Village's property value as a percentage of the total property value of these governing agencies.

**Village of Elm Grove
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population (1)	Personal Income (2)	<u>Per Capita Personal Income (3)</u>		<u>Unemployment Rates (4)</u>	
			Waukesha County	State of Wisconsin	Waukesha County	State of Wisconsin
2004	6,250	\$ 282,893,750	\$ 45,263	\$ 33,398	4.2%	5.0%
2005	6,234	294,101,418	47,177	34,366	3.9%	4.8%
2006	6,209	319,962,188	51,532	36,286	3.8%	4.7%
2007	6,166	325,977,922	52,867	37,677	3.9%	4.8%
2008	6,146	332,947,258	54,173	38,735	4.0%	4.8%
2009	6,157	322,922,336	52,448	38,364	7.7%	8.5%
2010	5,934	314,323,980	52,970	38,755	7.5%	8.5%
2011	5,941	335,048,636	56,396	40,648	6.6%	7.5%
2012	5,930	344,266,150	58,055	42,121	6.0%	6.9%
2013	5,934	*	*	*	5.0%	5.8%

* information not yet available

- Notes:
- (1) Source-State of Wisconsin Department of Administration 2004-2009,2011, 2012-2013
U.S. Census Bureau 2010
 - (2) Personal income is estimated for Village based on population and county data. Due to the Villages' size specific information is not available
 - (3) Source- Bureau of economic Analysis- U.S. Department of Commerce
 - (4) Source- Department of Workforce Development- (annual average)

**Village of Elm Grove
Principal Employers
Current Year and 9 Years Ago**

<u>Employer</u>	<u>Type of Business</u>	<u>2013</u>		<u>2004</u>	
		<u>Approximate Employees</u>	<u>Rank</u>	<u>Approximate Employees</u>	<u>Rank</u>
Kohl's Department Stores	Retail/Headquarters	5054	1	3819	2
Pro Health Care	Health Services	4794	2	2308	4
General Electric Health Care	Medical Products/Healthcare	3700	3	3849	1
Quad Graphics	Printing/Headquarters	3664	4	3103	3
Roundy's Distribution and retail	Food Wholesale/Retail	2728	5		
Waukesha School District	Education	1784	6	1392	8
Walmart Corporation	Retail	1553	7		
Target	Retail/Distribution Center	1390	8	1641	6
Waukesha County	Government	1364	9	1389	9
Froedtert Community Memorial Hospital- Menomonee Falls	Health Services	1333	10	1427	7
SBC (Ameritech)	Communications			1867	5
Waukesha County Technical College	Education			1388	10

Source: Waukesha County Administration

Due to the village's size specific employer information is not available. Employment opportunities are better demonstrated by reporting on the county as a whole.

Village of Elm Grove
Village Employee Positions by Function/Program
Last Ten Fiscal Years
(full time equivalents)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government Administration	8.00	8.00	8.00	7.00	7.45	7.50	6.00	6.00	6.00	6.00
Public Safety										
Police Officers	17.00	17.00	17.00	17.00	17.00	17.00	18.00	18.00	17.00	17.00
Police Administration	1.83	1.89	1.81	1.83	1.79	1.78	1.74	1.73	1.73	1.73
Dispatchers	5.60	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Municipal Court	0.93	0.99	0.91	0.93	0.89	0.88	0.84	0.83	0.83	0.83
Fire ⁽¹⁾	2.54	2.86	2.53	2.80	2.89	3.11	2.61	2.93	3.24	2.53
Emergency Medical ⁽²⁾						0.70	0.60	0.70	0.70	0.77
Health and Sanitation ⁽³⁾	0.10	0.12	0.13	0.18	0.22	0.25	0.19	0.17	0.34	0.46
Highway and Transportation										
Public Works	9.73	8.50	8.46	8.69	8.57	7.52	7.88	7.80	7.80	7.92
Forestry	0.17	0.15	0.16	0.17	0.14	1.25	1.25	1.28	1.28	1.23
Library	6.88	6.62	8.10	7.21	7.12	7.01	7.10	7.24	7.24	6.85
Park and Recreation	4.29	4.40	4.37	4.55	4.80	4.97	4.39	4.34	4.00	4.09
Total Employment	57.07	56.53	57.47	56.36	56.87	57.97	56.60	57.02	56.16	55.41

From Village payroll reports

⁽¹⁾ Fire department is operated with a .5 FTE fire chief , part-time fire inspector, and crew of volunteer paid on call firefighters.

⁽²⁾ Emergency Medical Services is operated as a volunteer paid on call department. The department operates at a paramedic level and is overseen by a volunteer paid on call chief who is a medical doctor. All police officers are EMTs and are first

⁽³⁾ Includes the village's yard waste facility, sewer and stormwater. The yard waste facility is overseen by part-time employee. Public works employees payroll costs are transferred to these departments for actual time worked annually.

Village of Elm Grove
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General</u>										
Number of elections	4	3	3	2	4	2	3	2	5	2
<u>Inspections</u>										
Number of permits	746	803	857	728	761	664	740	751	773	834
New single family homes	4	3	5	4	5	1	-	6	5	8
<u>Public Safety</u>										
<u>Police</u>										
Complaints Investigated	4,788	4,662	4,982	4,924	4,443	3,975	4,276	4,640	4,288	3,858
Traffic Stops	3,503	3,235	4,210	5,307	5,828	5,639	5,755	4,437	4,528	3,849
Citations Issued	*	*	*	*	3,852	3,141	3,919	3,294	3,214	2,649
Warnings	*	*	*	*	2,749	3,407	3,560	2,624	2,793	2,309
Business Checks	35,468	35,754	34,438	35,324	34,861	30,242	28,815	25,352	30,047	32,474
Tavern Checks	42	63	48	32	102	99	157	136	85	56
Vacant Home Checks	752	441	533	393	514	641	973	1,617	2,364	2,002
<u>Dispatch</u>										
Calls for service	8,291	7,897	9,192	10,231	10,372	9,622	10,031	10,130	9,246	7,707
<u>Fire</u>										
Calls for service	137	149	153	143	163	122	120	121	120	111
<u>EMS</u>										
Calls for service	310	305	318	326	327	289	268	295	297	261
<u>Public Works</u>										
Tons of Salt Used	427	809	405	690	516	464	255	454	120	830
Salt cost per ton	*	\$ 29.77	\$ 33.34	\$ 33.52	\$ 36.38	\$ 40.42	\$ 54.10	\$ 52.48	\$ 53.16	\$ 54.27
Miles of street paved	1.49	2.54	0.85	0.89	1.47	0.66	0.86	1.24	0.67	-
<u>Solid Waste/Recycling</u>										
Tons of Waste	2,309	2,269	2,232	2,123	2,133	1,945	1,859	1,983	1,921	1,995
Tons of Recycling	684	639	728	597	565	531	538	461	445	431
<u>Forestry</u>										
Trees Planted	10	21	45	266	60	68	85	132	57	40
Trees Removed	*	139	191	109	58	333	279	225	248	221
Ash Trees Removed	*	3	29	14	13	103	104	80	71	61
Elm Trees removed	*	112	97	71	28	125	52	49	79	83
<u>Recreation</u>										
Number of programs	*	*	*	*	*	*	243	243	242	245
Participants	*	*	*	*	*	*	2,623	2,346	2,174	2,365
<u>Library</u>										
Circulation	97,400	95,868	99,721	104,533	111,322	111,648	107,610	102,058	104,196	106,085
Visits	96,471	99,040	93,142	88,573	93,144	103,065	101,481	97,994	98,622	85,729
Computers for Public Use	9	11	13	11	11	11	13	14	14	14
with internet access	8	5	7	5	5	5	6	12	12	12
Users of public internet	4,097	4,899	6,237	6,455	7,060	7,710	8,673	8,542	7,548	6,353

Information from Village budget and department records

* information was not tracked in prior years - Village will develop a ten year history

**Village of Elm Grove
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Public Safety Buildings	1	1	1	1	1	1	1	1	1	1
Police Vehicles	8	8	8	8	8	8	8	8	8	8
Fire Trucks	4	4	4	5	5	5	5	5	5	5
Ambulances	2	2	2	2	2	2	2	2	2	2
Public Works										
Street (miles)	42.26	42.26	42.26	42.26	42.26	42.26	42.26	42.26	42.26	42.26
Park and recreation										
Number of parks	2	2	2	2	2	2	2	2	2	2
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	9	9	9	9	9	9	9	9	9	9
Baseball diamonds	2	2	2	2	2	2	2	2	2	2