



VILLAGE OF GERMANTOWN

Germantown, Wisconsin

Comprehensive Annual Financial Report
Period Ending December 31, 2014

Prepared by the Village Administrator & Finance Director

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
VILLAGE OF GERMANTOWN, WISCONSIN**
As of and for the Year Ended December 31, 2014

DEPARTMENT ISSUING REPORT

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

VILLAGE OF GERMANTOWN

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June 29, 2015

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

The *Comprehensive Annual Financial Report* for the Village of Germantown, Wisconsin for the fiscal year ending December 31, 2014, is prepared to provide the Board, our citizens, and other interested persons, detailed information concerning the financial condition of the Village government. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the village government. We believe the information presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Village as measured by financial activity of its various funds; and that all disclosures necessary to enable the reader to gain reasonable understanding of its financial affairs have been included.

The Village retained the services of Baker Tilly Virchow Krause, LLP to perform its audit. Based upon standard audit procedures, Baker Tilly Virchow Krause, LLP has issued an unmodified opinion on the Village's financial statements for the year ended December 31, 2014. The auditor's opinion is located at the front of the financial section of this report.

Report Format

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

Reporting Entity

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

Village Profile

Located 25 miles northwest of Milwaukee, Germantown encompasses 34 square miles in the southeast corner of Washington County. Germantown is the largest village in geographical area in the State of Wisconsin. The Village's current population, as of the 2010 census is 19,749, a 9.3% increase over the prior ten years period. The 2014 estimated population is 19,891. It operates under a council-manager form of government. There are nine members on the Germantown Village Board. Eight of the members are elected from trustee districts and the Village President is elected at large. Board members are elected to three-year terms. The appointed Village Manager/Administrator is responsible for the day-to-day operations of the Village,

the appointment of administrative staff members, and the supervision of all employees.

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

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

ECONOMIC CONDITIONS AND OUTLOOK

The Village's \$2.3 billion tax base is primarily residential (68.02% of equalized value in 2014) but it has a sizeable commercial (19.9%) and manufacturing (9.89%) presence also. Single Family housing starts increased throughout the year with sixty new permits, keeping pace with the fifty-four permits issued in 2013. We added two Multi-Family and four Commercial/Industrial building permits. The Village's overall equalized value increased by 3.69%, the first increase since 2010. The average Unemployment rate for Washington county is 4.3%, which is lower than the Wisconsin State average of 5% at year end. The use of a variety of financing tools such as impact fees, tax incremental financing incentives, and close partnerships with local business, the Village is preparing for a robust economic future. We have been able to balance the community with a mixture of agricultural, residential, commercial and industrial/office development. Germantown's fine school system and parks and recreational activities is also helpful in acquiring and keeping our residential base.

Tax Incremental District No. 4 (Germantown Business Park) had its Project Plan amended in 2011 to include cash grants (development incentives) to owners, lessees or developers of land located within the district. This change was instrumental in additional sales of land and construction of Airgas Inc.'s nearly 400,000 square foot distribution center and office. The full valuation of these additions will positively impact our valuation for years to come. There are currently only three lots left in the Village Business Park and there are offers being written for each of these remaining lots. The Village's two other Tax Incremental Finance Districts, No. 3 and No. 5, have performed exceptionally well and closed in 2013. TID No. 3 was the Village's industrial park and TID No. 5 was a remediation TID within a major retail center. The closing of the Districts added \$84,378,850 of valuation to the tax base.

In 2014, the Village adopted Tax Incremental District No. 6 (TID 6). The Village anticipates total eligible project expenditures of approximately \$9.6 million dollars. The expenditure period in which the village is required to expend funds, as set out in the Project Plan, is fifteen years. Any expenditures after fifteen years will not be eligible to be financed out of the TID funds. As a result of the creation of this District, the Village projects that new development, redevelopment and appreciation in the value of existing properties will add approximately \$41 million dollars in assessed value. This District is zoned as a Mixed Use District which means that at least 50% of the area, of the real property within the District, is suitable for a combination of industrial and commercial uses. The goal of the District is to increase the tax base and to provide for and preserve employment opportunities within the Village. The District is bounded by Appleton Avenue, Lannon Road, and Maple Road. The property within the District that will be sold for development will not be owned by the Village. The property is under private ownership until sold to a commercial or industrial entity. The Village has partnered with MLG Commercial who is marketing the property within the District. The estimated saleable property of the District is fifty-two acres.

The Village continues to follow basic short-term and long-term planning policies. The Village's philosophy strives for manageable conservative budgets that allow for stable financial futures, keeping taxes and utility user rates as low as possible while guaranteeing that funds will be available to protect Village

infrastructure and services. The Village board is committed to maintaining a positive General Fund balance, while our current policy has a target balance of at least 10 – 15% of subsequent year expenditures, the percentage of unassigned General Fund balance at the end of 2014 remained at 22%. This positive balance , provides the Village with a cushion for unanticipated emergencies. The Village continues to trim expenditures and consolidate operations. Partially as a result of the Village increasing its cash reserves, Moody's Investor Service maintained our bond rating of Aa2, with stable outlook.

Germantown has planned for “smart growth” through the development of a 2020 Land Use Plan. One of Wisconsin's first communities to develop a 2020 Smart Growth Plan, our dedication to this comprehensive planning process shows the level of importance we place on planning future infrastructure and zoning classifications. This plan is an example of responsible public management by our citizens, elected officials and staff.

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

FOR THE FUTURE

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

The Village Plan Commission, working with staff, began the process of reviewing and updating the Village's 2020 Land Use Plan for the northern half of the Village. The initial focus of their effort has been the Hwy 41/45 Corridor. The Plan Commission will also be evaluating current and exploring new policies that will help guide development along that corridor while addressing how best to leverage and maintain the rural character north of Freistadt Road. The Plan Commission will be conducting a community survey regarding these issues and use that feedback when considering the type, amount and density of future development in these areas.

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

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

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The diverse nature of government operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate fund. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations,

restrictions or limitations.

Budgetary control is maintained through an annual budget ordinance passed by the Village Board. Formal budgetary integration is employed as a management control device during the year, and is adopted on a basis consistent with generally accepted accounting principles. The Village Administrator may authorize transfers of budgeted amounts within departments; however, transfers between departments and additional appropriations to the original budget must be made by Board resolution. The level at which expenditures may not exceed budget is by department.

Internal Control

In developing and evaluating the Village's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

INDEPENDENT AUDIT

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

REPORTING ACHIEVEMENT

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Germantown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This was 26 consecutive years that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

We would like to thank the Village Board for their support in planning and conducting the financial operations of the Village in a responsible manner. In addition, we would also like to express our appreciation to the dedicated service of the Finance Department staff, the assistance and input from all department directors and supervisors throughout the Village, and the assistance of our independent auditors.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kim E. Rath".

Kim E. Rath
Finance Director

A handwritten signature in blue ink, appearing to read "David R. Schornack".

David R. Schornack
Village Administrator



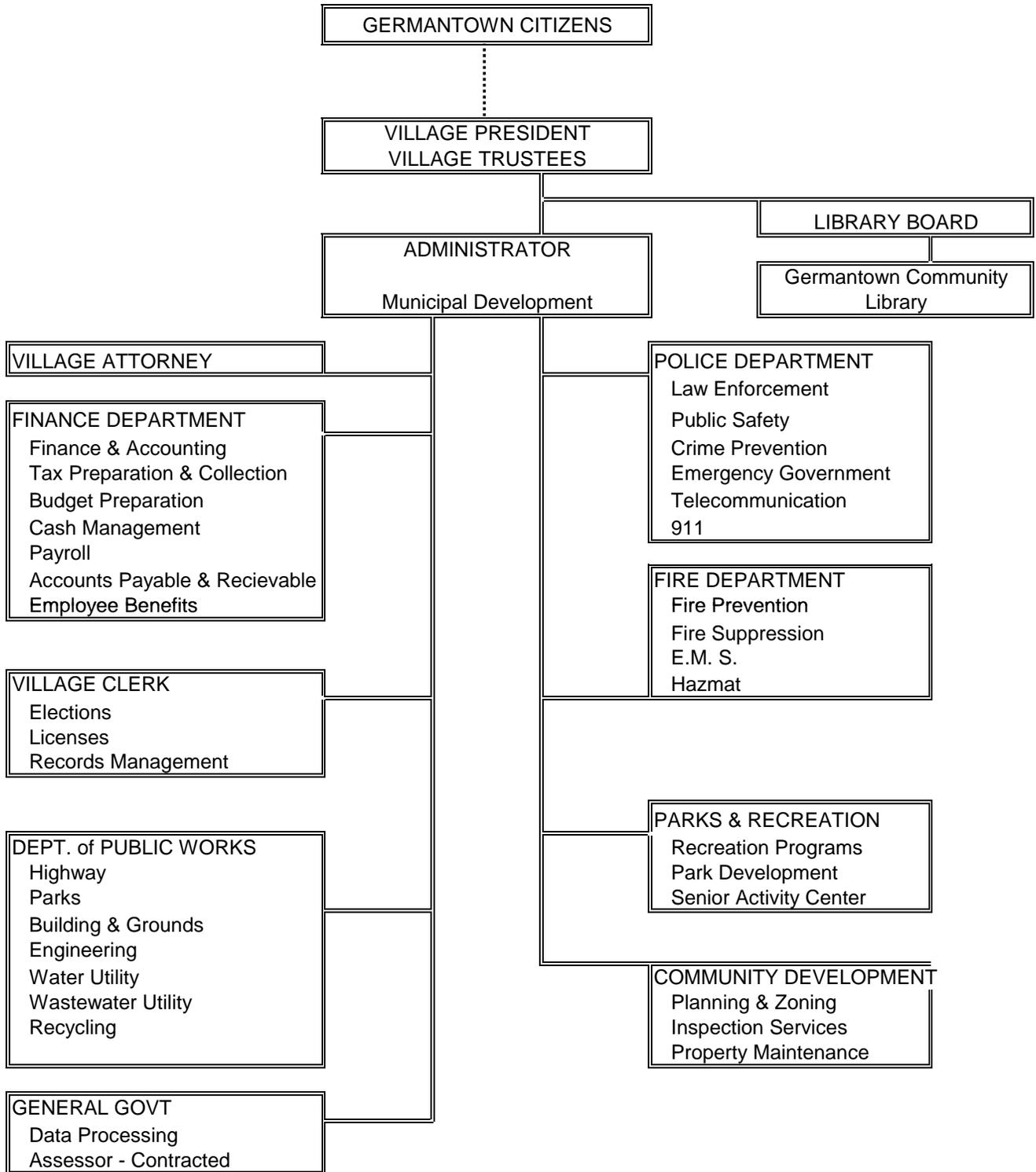
LIST OF PRINCIPAL OFFICIALS as of December 31, 2014
ELECTED OFFICIALS

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

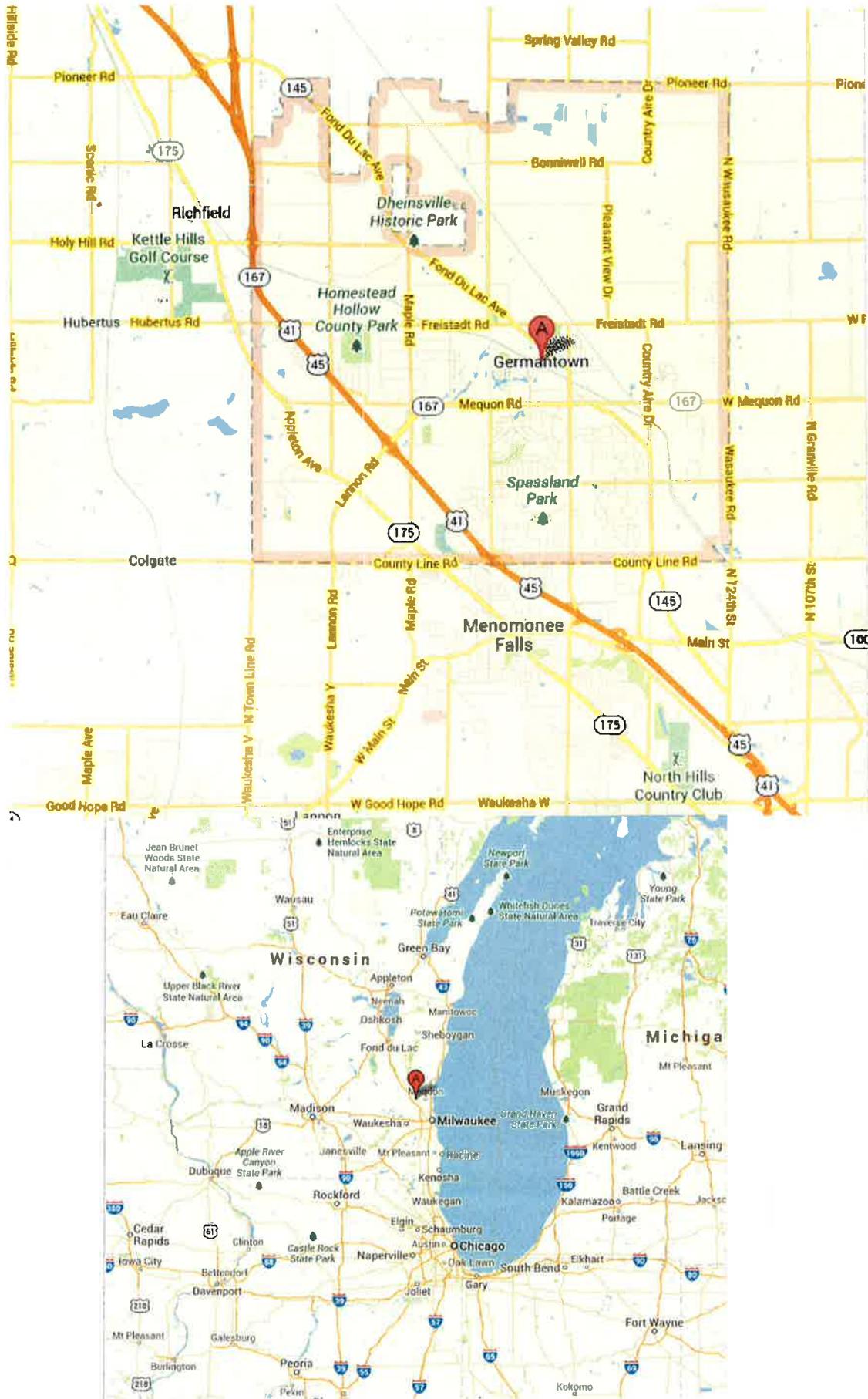
APPOINTED OFFICIALS

Village Administrator	David R. Schornack
Village Attorney	Brian Sajdak; Wesolowski, Reidenbach & Sajdak SC
Village Assessor - Contract Service	Accurate Appraisal
Village Clerk	Barbara K.D. Goeckner
Finance Director/Treasurer	Kim E. Rath
Community Development/Planning & Inspection	Jeffrey W. Retzlaff
Director of Public Works	Daniel Ludwig
Village Engineer	Brionne Bischke
Police Chief	Peter Hoell
Fire Chief	Gary Weiss
Library Director	Roberta M. Olson
Recreation Director	Justin Casperson
Police & Fire Commission Chairperson	Patrick Adair
Park & Recreation Commission Chair	Tony Laszewski
Library Board President	Joyce Nelson

VILLAGE OF GERMANTOWN ORGANIZATIONAL CHART



The Village of Germantown - Location Map





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Germantown
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Brief History of the Village of Germantown

The Village of Germantown is located in southeastern Wisconsin, in the southeastern corner of Washington County. The City of Mequon, in Ozaukee County, borders the Village on the east, and the Village of Menomonee Falls, in Waukesha County, borders it on the south. The Village is contiguous with the City of Milwaukee and Milwaukee County at its southeast corner. In Washington County, the Town of Jackson borders it to the north, and the Village of Richfield shares its western border. At 34 square miles, the Village of Germantown is the largest village in geographical area in the State of Wisconsin and recognized as Washington County's oldest settled town.

The Village's current population is estimated to be 19,891. A majority of its residential, commercial and industrial development is concentrated in the suburban-like south-central third of the village. It is in this portion, served by the Milwaukee Metropolitan Sewerage District (MMSD), and supplied with water by municipal wells, that most of Germantown's development has occurred.

The half of the village north of Freistadt Road is rural in nature, and is predominately agricultural. Although it is outside the MMSD sewer service area and not currently on municipal water, new residential development has been emerging. Our new Land Use Plan's determination of one home/ five acreage density has attracted some subdivisions and parcel splits.

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

In 1927, a small Village of Germantown was incorporated at the Fond du Lac Avenue and Main Street area. In the early 1960's, the City of Milwaukee annexed 15 acres in the southeastern corner of the Town of Germantown. Fears over further annexations prompted the Town of Germantown to merge with the smaller Village of Germantown in 1964. Most of the Town of Germantown, except for four small "islands" totaling approximately two square miles in the northwestern portion, was included in the merger.

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

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Germantown
Germantown, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village of Germantown's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Village Board
Village of Germantown

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Germantown, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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 Germantown's basic financial statements. The budgetary comparison schedules and combining and individual fund financial statements 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 budgetary comparison schedules and combining and individual fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Village Board
Village of Germantown

Other Information

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

Baker Tilly Vinchow Krause, LLP
Madison, Wisconsin
June 29, 2015

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2014 (unaudited)

This discussion and analysis of the financial performance of the Village of Germantown is intended to provide an overview of the Village's financial activities for the fiscal year ended December 31, 2014. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements.

FINANCIAL HIGHLIGHTS

- > Village of Germantown ended 2014 with a total net position of approximately \$131 million, an increase of \$1.46 million over 2013. Of the total net position, \$116.2 million represents the Village's net investment in capital assets, \$11.07 million is held for restricted purposes such as Impact Fees, separated Library funds, Debt Service, Equipment Replacement and TIF purposes, and \$3.7 million is unrestricted and available to meet the Village's ongoing obligations to its citizens and creditors. The total net asset increase was primarily attributable to land sales in TID #4, creation of TID #6, significant Capital Grants and Contributions in Business-type activities, infrastructure improvements, payments from developers, and favorable results across the majority of Village funds.
- > During 2014, the Village of Germantown continued its plan for the upgrading and replacing of aging infrastructure and equipment, plus improving Village roadways and utility services. The Village as well as area development have invested more than \$4.56 million in upgrading infrastructure systems and other capital assets.
- > Wisconsin statute restricts municipality general obligation indebtedness to less than 5% of equalized value of taxable property. The debt limit as of December 31, 2014, was \$114,167,605. The Village's total debt applicable to the limit was \$29,245,000, the unused debt capacity was \$84,922,605 or 74.38%.
- > The General Fund unassigned fund balance at year end was \$3,333,679, or 22.4% of the subsequent year's general fund expenditure budget. This is a slight increase of .09% over 2013. The Village Board has allowed the unassigned fund balance to remain at this level to help mitigate sudden negative impacts that may be experienced or to be used for an unforeseen one time use.
- > The Village of Germantown created Tax Incremental District #6 (TID #6) in May 2014. This Mixed-Use District has saleable property of fifty-two acres and is projected to add approximately \$41 million dollars in assessed value. \$5,405,000 in General Obligation Community Development bonds were awarded on October 1, 2014 to fund project costs including capitalized interest and bond issuance costs.
- > On May 14, 2014 the Village issued a \$3,710,000 General Obligation Promissory Note. A portion of the net proceeds, (\$1,065,000) is to be used to provide funds for a current refunding of the outstanding principal amount of the Series 2010 Note of \$1,115,000 resulting in an economic gain of \$47,981. \$2,645,000 funded capital equipment and road projects, the note has a true interest cost of 1.6334%. Our Moody's Investors Service Rating remained at Aa2.
- > A Water Utility Rate increase of 3% was approved by the Public Service Commission of WI and Village Board on October 6, 2014 to be effective December 15, 2014. The increased revenue will fund ongoing operational costs of the Village's Water Utility. On October 20, 2014 the Village Board approved a 10% increase in the Wastewater Utility rates to fund the continuation of a major sewer relining project. The increase to the sewer rates was also in effect on December 15, 2014.

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This section serves as an introduction to the Village of Germantown's basic financial statements. The basic financial statements for the Village of Germantown are comprised of three components:

- government-wide financial statements,
- fund financial statements, and
- notes to the financial statements.

This report also combines other supplementary information in addition to the basic financial statements.

The two government-wide financial statements are designed to provide readers with a broad overview of the Village of Germantown's finances, in a manner similar to a private-sector business entity. The *Statement of Net Position* presents information on all of the Village of Germantown's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Germantown is improving or deteriorating. *The Statement of Activities* presents information showing how the government'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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Germantown include general government, public safety, public works, culture and recreation services, and conservation and development. The business-type activities of the Village of Germantown include the Germantown Water and Wastewater Utility.

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 of Germantown, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

VILLAGE OF GERMANTOWN
MANAGEMENT’S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

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 current spendable resources, as well as balances of spendable resources that can be converted to cash and balances available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government’s near-term financing requirements.

Governmental funds include the General Fund, Special Revenue Funds, Capital Projects and Debt Service Fund. Of these, the General fund, Debt Service fund, the General Capital Projects fund are shown as major funds and are presented in separate columns. Data from the other governmental funds are combined in to a single column for aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Reconciliations follow the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net Position and Statement of Activities*.

The Village of Germantown adopts an annual appropriated budget for all major and non-major funds, as required by state statute.

Proprietary Funds

Proprietary funds maintained by the Village of Germantown are of two different types; enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for activities that provide services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The Village’s fund financial statements present separate enterprise fund information for the Water and Wastewater Utilities.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The Village of Germantown uses internal service funds to account for its self funded Health and Dental Protection plans. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Village of Germantown uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collections fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the Village of Germantown. The accounting for the Tax Collection fund is similar to that used for proprietary funds.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The *Statement of Net Position* for the Village of Germantown is summarized in the tables below. As noted earlier, net position may serve over time as a useful indicator of a government's financial situation. The Village's total net position of \$131 million was higher than 2013 by \$1.46 million. The majority of the net position (\$116.2 million or 88.7%) reflects the Village's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Village's net position that is restricted (\$11.07 million or 8.45%) represents impact fees, separate Library funds, Debt Service, equipment replacement accounts and Tax Incremental Financing (TIF) funds. The remaining \$3.7 million (2.85%) of total net position may be used to meet the Village's ongoing obligations to its citizens and creditors.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont)

Table 1 below summarizes the assets, liabilities and net position of the Village with accompanying Tables 1.a and 1.b showing the differences between 2013 and 2014. Table 2 summarizes the total revenues and expenses for 2014 with Tables 2.a and 2.b showing the changes from 2013 to 2014.

Table 1
2014 Statement of Net Position

	Governmental Activities	Business-Type Activities	Totals
Current and Other Assets	\$ 33,286,406	\$ 9,644,903	\$ 42,931,309
Capital Assets	75,372,817	59,050,670	134,423,487
 Total Assets	 108,659,223	 68,695,573	 177,354,796
 Deferred Outflows of Resources	 262,561	 -	 262,561
Long-Term Liabilities	30,538,333	1,479,119	32,017,452
Other Liabilities	1,575,350	591,216	2,166,566
 Total Liabilities	 32,113,683	 2,070,335	 34,184,018
 Deferred Inflows of Resources	 12,422,337	 -	 12,422,337
 Net Position			
Invested in Capital, net of related debt	58,828,409	57,657,469	116,205,203
Restricted - Impact Fee Accounts	217,456	203,558	421,014
- Library	111,130	-	111,130
- Debt Service	1,615,119	117,726	1,732,845
- Equipment Replacement	-	361,953	361,953
- TIF Purposes	8,441,186	-	8,441,186
Unrestricted (deficit)	(4,827,536)	8,284,532	3,737,671
 Total Net Position	 \$ 64,385,764	 \$ 66,625,238	 \$ 131,011,002

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 1.a

Change in Statement of Net Position - Governmental Activities - 2013 to 2014

	2013 to 2014 Change	2013	2014
Current and Other Assets	\$ 5,275,595	\$ 28,010,811	\$ 33,286,406
Capital Assets	(169,255)	75,542,072	75,372,817
Total Assets	<u>5,106,340</u>	<u>103,552,883</u>	<u>108,659,223</u>
Deferred Outflows	<u>(63,219)</u>	<u>325,780</u>	<u>262,561</u>
Long-Term Liabilities	4,196,314	26,342,019	30,538,333
Other Liabilities	318,801	1,256,549	1,575,350
Total Liabilities	<u>4,515,115</u>	<u>27,598,568</u>	<u>32,113,683</u>
Deferred Inflows	<u>(58,081)</u>	<u>12,480,418</u>	<u>12,422,337</u>
Net Position			
Invested in Capital, net of related debt	(561,426)	59,389,835	58,828,409
Restricted - Impact Fee Accounts	90,996	126,460	217,456
- Library	(27,273)	138,403	111,130
- Debt Service	(859,627)	2,474,746	1,615,119
- TIF Purposes	5,116,195	3,324,991	8,441,186
Unrestricted (deficit)	<u>(3,172,778)</u>	<u>(1,654,758)</u>	<u>(4,827,536)</u>
Total Net Position	<u>\$ 586,087</u>	<u>\$ 63,799,677</u>	<u>\$ 64,385,764</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 1.b

Statement of Net Position - Business Type Activities - 2013 to 2014

	2013 to 2014 Change	2013	2014
	<u> </u>	<u> </u>	<u> </u>
Current and Other Assets	\$ 522,774	\$ 9,122,129	\$ 9,644,903
Capital Assets	<u>463,008</u>	<u>58,587,662</u>	<u>59,050,670</u>
Total Assets	<u>985,782</u>	<u>67,709,791</u>	<u>68,695,573</u>
Long-Term Liabilities	(82,003)	1,561,122	1,479,119
Other Liabilities	<u>192,945</u>	<u>398,271</u>	<u>591,216</u>
Total Liabilities	<u>110,942</u>	<u>1,959,393</u>	<u>2,070,335</u>
Net Position			
Invested in Capital, net of related debt	552,520	57,104,949	57,657,469
Restricted - Impact Fee	36,656	166,902	203,558
- Debt Service	803	116,923	117,726
- Equipment Replacement	5,901	356,052	361,953
Unrestricted (deficit)	<u>278,960</u>	<u>8,005,572</u>	<u>8,284,532</u>
Total Net Position	<u>\$ 874,840</u>	<u>\$ 65,750,398</u>	<u>\$ 66,625,238</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

An examination of the *Statement of Activities* provides a concise picture of how the various activities of the Village are funded. The following table summarizes the governmental and business-type activities.

Table 2

**Village of Germantown's Statement of Activities
for the year ending December 31, 2014**

	Governmental Activities	Business-Type Activities	Totals
Revenues			
Program Revenues			
Charges for Services	\$ 2,752,107	\$ 8,097,648	\$ 10,849,755
Operation Grants & Contributions	1,466,066	-	1,466,066
Capital Grants & Contributions	111,489	928,330	1,039,819
General Revenues			
Property Taxes	12,906,557	-	12,906,557
Intergovernmental revenues	946,067	-	946,067
Investment income	135,166	42,192	177,358
Other	1,871,679	-	1,871,679
Total Revenues	20,189,131	9,068,170	29,257,301
Expenses			
General government	1,723,573	-	1,723,573
Public safety	7,373,151	-	7,373,151
Public works	5,287,992	-	5,287,992
Culture and recreation	2,905,723	-	2,905,723
Conservation and development	2,090,544	-	2,090,544
Interest and fiscal charges	751,307	-	751,307
Water	-	2,092,364	2,092,364
Wastewater	-	5,571,720	5,571,720
Total Expenses	20,132,290	7,664,084	27,796,374
Total	56,841	1,404,086	1,460,927
Transfers	529,246	(529,246)	-
Change in net position	586,087	874,840	1,460,927
Net Position - Beginning	63,799,677	65,750,398	129,550,075
NET POSITION - ENDING	\$ 64,385,764	\$ 66,625,238	\$ 131,011,002

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 2.a

**Village of Germantown's Changes Statement of Activities - Governmental Activities
for the year ending December 31, 2014**

	2013 to 2014 Change	2013	2014
Revenues			
Program Revenues			
Charges for Services	\$ 163,364	\$ 2,588,743	\$ 2,752,107
Operation Grants & Contributions	7,172	1,458,894	1,466,066
Capital Grants & Contributions	25,426	86,063	111,489
General Revenues			
Property Taxes	(938,410)	13,844,967	12,906,557
Intergovernmental revenues	(55,453)	1,001,520	946,067
Investment income	69,941	65,225	135,166
Other	1,530,481	341,198	1,871,679
Total Revenues	<u>802,521</u>	<u>19,386,610</u>	<u>20,189,131</u>
Expenses			
General government	69,644	1,653,929	1,723,573
Public safety	93,278	7,279,873	7,373,151
Public works	(438,935)	5,726,927	5,287,992
Culture and recreation	283,228	2,622,495	2,905,723
Conservation and development	1,333,094	757,450	2,090,544
Interest and fiscal charges	(262,561)	1,013,868	751,307
Total Expenses	<u>1,077,748</u>	<u>19,054,542</u>	<u>20,132,290</u>
Total	(275,227)	332,068	56,841
Transfers	<u>(45,459)</u>	<u>574,705</u>	<u>529,246</u>
Change in Net Position	(320,686)	906,773	586,087
Net Position - Beginning	<u>906,773</u>	<u>62,892,904</u>	<u>63,799,677</u>
NET POSITION - ENDING	<u>\$ 586,087</u>	<u>\$ 63,799,677</u>	<u>\$ 64,385,764</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 2.b

**Village of Germantown's Changes Statement of Activities - Business Type Activities -
for the year ending December 31, 2014**

	2013 to 2014 Change	2013	2014
Revenues			
Program Revenues			
Charges for Services	\$ (84,068)	\$ 8,181,716	\$ 8,097,648
Capital Grants & Contributions	809,995	118,335	928,330
General Revenues			
Investment income	42,930	(738)	42,192
Total Revenues	<u>768,857</u>	<u>8,299,313</u>	<u>9,068,170</u>
Expenses			
Water	119,682	1,972,682	2,092,364
Wastewater	38,518	5,533,202	5,571,720
Total Expenses	<u>158,200</u>	<u>7,505,884</u>	<u>7,664,084</u>
Total	610,657	793,429	1,404,086
Transfers	<u>45,459</u>	<u>(574,705)</u>	<u>(529,246)</u>
Change in Net Position	656,116	218,724	874,840
Net Position - Beginning	<u>218,724</u>	<u>65,531,674</u>	<u>65,750,398</u>
NET POSITION - ENDING	<u>\$ 874,840</u>	<u>\$ 65,750,398</u>	<u>\$ 66,625,238</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in assessing the Village's financing requirements.

As of December 31, 2014, the Village of Germantown's *Balance Sheet – Governmental Funds* - reported combined ending fund balances of \$17.24 million, an increase of \$5,585,286 over the previous year's ending balances due mainly to the creation of TID No.6 and a prepayment of a Fire Department vehicle. Of this total, nearly \$13.91 million is nonspendable, restricted, committed or assigned for specific legal requirements and other commitments, leaving total unassigned governmental fund balances of \$3.33 million available for meeting future budget requirements.

The Village Board continues to focus on the Village's General Fund unassigned fund balance to maintain a healthy balance to insure against any sudden negative impacts or to address unforeseen needs. The previous year's balance of \$3,271,462 remained intact with a small addition of \$62,217, resulting in the 2014 year end amount \$3,333,679. This helped place the Village in a strong position going forward.

The General fund is the primary operating fund used to account for the governmental operations of the Village of Germantown. The largest revenue sources for the General fund are taxes and inter-governmental aids, together accounting for 80.07% of total revenues. On the operations side, Public Safety is our highest expenditure at 47.11%. Germantown has a full time Police force with thirty-one sworn officers, our Fire Department has four full-time, four part-time, and thirty-five paid on call members. Our full and part time employees staff the two fire stations during the day with our paid on call staff providing Fire and EMS services in the evening.

Funds collected for payment of the outstanding debt for the closed TIF Districts No. 3 & 5 were transferred to our Debt Service Fund. These funds will be held for payment for the remaining debt outstanding at the time the TIF's were closed, which accounts for the reduction of \$911,969 in the ending balance from 2013.

The General Capital Projects Fund balance of \$2.28 million includes proceeds of bonds and notes that are legally restricted to expenditures for specific purposes as well as accumulated Library County Revenues intended for capital improvements of \$639,715. The Germantown Community Library adds approximately \$50,000 yearly. The funds remain on account until a specified project is identified by the Library Board. The restricted amount is for a Special Assessment Loan.

TID #4 Capital Projects fund is for the Village's Business Park. The Business Park has continued to sell land parcels and add development. The park is in a positive position and is expected to close when legally required and pay the debt outstanding without any significant problems. \$1.859 million in new land sales was received as well as nearly \$200,000 in additional increment over 2013. Increment tax rebates which began in 2013 pushed several development projects toward nearly full build out of the park.

TID #6 is a new Tax Incremental District mixed-use business park suitable for industrial and commercial purposes. It is located along Appleton Avenue south of Lannon Road. The area is proposed to be developed in phases. The estimated saleable property consists of fifty-two acres. The Project Plan consists of site grading, sanitary sewer and water systems, stormwater management, street improvements, landscaping and other site improvement infrastructure and related costs.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS (cont.)

Governmental Funds (cont.)

The Village issued \$5,405,000 in General Obligation Community Development Bonds on October 1, 2014. Of that \$461,781.25 is in capitalized interest to make interest payments due March 1, 2015 through March 1, 2017, and a portion of the interest due September 1, 2017.

The remaining Non-major Governmental Funds consist of Impact Fees for Police, Fire, Library and Park & Recreation, Special Revenue Funds for Senior Van Replacement, Police Asset Forfeiture, Historic Preservation Fund, Library Board Accounts and Recreation Department Facility Fund. The Special Revenue funds are specifically earmarked for a single purpose and are either restricted or committed. Impact fees are imposed on new construction to fund all or a portion of the costs of providing public services to the new development.

Proprietary Funds

The net position of the enterprise-type proprietary funds at the end of 2014 totaled \$66.5 million. Proprietary funds are made up of the Village's Water and Wastewater Utility which is a Business-type activity – Enterprise fund and the Village's health and dental protection fund which is a governmental-activity, internal service fund.

The Village Wastewater (Sewer) Utility net position remained stable throughout the year, adding \$458,521. The Village contracts with the Metropolitan Milwaukee Sewage Treatment District for its sewage treatment, the charges from MMSD for sewerage treatment and their annual Capital Charge remains the utility's largest expense accounting for 70.94% of the operating expense. In 2014, the Village paid \$1,364,770 for user charges and \$2,590,813 for the annual Capital Charge. The Capital Charge is based on our equalized value to cover major infrastructure maintenance and improvements to the district. The Wastewater Utility is working on a major relining of its 48" interceptor main which began in 2014 and continuing into 2015, resulting in the negative \$1.07 million in cash flow for the year. A 10% rate increase was enacted for customers effective December 15, 2014 to create additional revenue to cover the remainder of the project.

The Village of Germantown's Water Utility also increased its net position slightly by \$408,720 at year end. A 3% Simplified Rate Increase was approved, effective December 15, 2014. This increase, along with an increase in the Water Impact Fee revenue due to housing and business growth, will help stabilize the Utility going forward. A search for a new well site to guarantee sufficient water for the Village's growth or expansion with a full rate case study is also underway to cover the expense of the new well.

Utility Capital Infrastructure assets of \$2,114,807, including utility-financed and developer- added assets were added in 2014.

The Health and Dental Protection funds maintained positive cash flow ending the year with a net position of \$629,874, showing an increase to total cash of \$288,923 to be used for future expenditures. Employee contributions to the fund averaged 11% of premium cost. The plan is a Self Funded Plan with a Third Party Administrator. Changes in health care law will cause some change in the design and scope of the plan in the next couple years.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS (cont.)

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund beginning* on pages 51, the final 2014 General Fund budget authorized expenditures of \$14,830,040. Anticipated funding for these expenses was expected from taxes (General Property and other taxes) of \$9,293,942 and other revenue sources including intergovernmental revenues, regulation and compliance, and public charges for services totaling \$14,021,556, with the balance to come from transfers in and fund balance. During the year the Village Board approved adjustments to the budget, primarily for carry over funds of the Library's non-lapsing County revenue, hotel/motel room tax intended for use toward community projects and transfers to the Capital Projects fund to cover the cost of equipment for the Police, Fire and Engineering departments. These changes are reflected in the Final Budget column. The final actual expenditures versus revenue showed an excess of \$153,639 to end with a fund balance of \$4,269,492.

Revenues exceeded the final budget by \$474,111, higher in all categories. An increase in building inspection fees, development fees, Police Department Grants, ambulance fees and recreation programming are some of the reasons for revenues exceeding the budget.

Total expenditures were under final budget by \$236,385. Although Police and Fire Departments were over budget due to increases in Police overtime and extended Fire Department staffing, it was offset by reductions in spending in other departments. Some of this is due to the creation of TID No. 6 and the transfer of wage and benefit costs of current staff to develop the district. The Recreation Department was over in expenditures but had an increase to their budgeted revenue by \$68,000. Building inspection fees were over by \$195,000 due to growth in single family housing and development in our Business Park.

Federal and State Speed, Alcohol and Seatbelt grants covered the additional overtime in our Police Department. Our Highway, Building and Grounds, and Parks departments run through the Public Works Department and share some responsibilities; the expenditures for the three departments together are within budget with allocations of unspent equipment costs forwarded to 2015. Excess dollars unspent from the Library will roll forward if the excess is in the County line items. The Library receives funding from Washington County dedicated to specific purposes; unspent funds are rolled to the next year. The County expenditure lines and revenue are included in the General Fund budget.

After accounting for nonspendable and assigned uses of \$935,813, the amount added to the unassigned general fund balance was \$62,219 making the final balance at year end \$3,333,679. As per Village policy, the unassigned fund should be between 10 – 15% of the Village's subsequent year budgeted expenditures. As of December 31, 2014, the unreserved fund balance covers 22.41% of subsequent year budgeted expenditures. Village policy will be revised in 2015 to reflect a higher standard.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS AND DEBT

Capital Assets

In accordance with the implementation requirements of GASB No. 34, the Village has recorded historical costs and depreciation expense associated with all its capital assets, including infrastructure. The Village's reported investment in capital assets for governmental and business-type activities as of December 31, 2014 totaled \$201.5 million, an increase of \$3.4 million. These assets include the street network in the governmental activities, with machinery and equipment and the water and wastewater utilities in the business-type activities.

Some of the Village's most significant additions of capital assets during 2014 included the following:

Significant Additions to Capital Assets in 2014

- Roads \$ 1,290,626
- Machinery & Equipment \$ 642,080
- Buildings & Improvements \$ 230,674
- Storm Sewers \$ 211,142
- Water & Sewer System \$ 2,036,501

Table 3
Capital Assets (Net of accumulated depreciation)
(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Construction in progress	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Land	13.6	13.7	0.3	0.2
Buildings and improvements	9.5	9.2	3.6	3.5
Machinery and equipment	3.9	4.0	3.8	3.4
Infrastructure	<u>48.5</u>	<u>48.5</u>	<u>50.9</u>	<u>51.9</u>
Totals	<u>\$ 75.5</u>	<u>\$ 75.4</u>	<u>\$ 58.6</u>	<u>\$ 59.0</u>

Additional Information about the Village's capital assets can be found in Note III.D beginning on page 34.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

Long-Term Debt

On December 31, 2014, the Village of Germantown had \$27,090,698 of bond, revenue bond and long-term note principal outstanding, as summarized in the following table:

Table 4
Village of Germantown's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
General obligation debt	\$ 25,607,985	\$ 29,245,000	\$ -	\$ -
Revenue Bonds	-	-	1,482,713	1,393,201
Totals	<u>\$ 25,607,985</u>	<u>\$ 29,245,000</u>	<u>\$ 1,482,713</u>	<u>\$ 1,393,201</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed 5% of the equalized value of all taxable property within the Village's jurisdiction. The debt limit as of December 31, 2014 was \$114,167,605. Total General Obligation debt outstanding was \$29,245,000. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

Long-term Debt Issued 2014

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
05/14/2014	General Obligation Promissory Note	\$ 3,710,000
Uses	Refunding 2010 BAB	\$ 1,065,000
	Public Safety Equipment	818,075
	Park Improvements	40,201
	Roadway Design & Improvements	1,534,167
	Highway Trucks & Equipment	212,000
	Issuance Costs	40,557

Refunding issue of \$1,065,000 with an average coupon rate of 2.3% to refund \$1,115,000 2010 General obligation note Build America Bond with an average coupon rate of 2.98%. An economic gain resulted of \$47,891.

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
10/01/2014	General Obligation Community Development Bond	\$ 5,405,000
Uses	Single Purpose - Project Costs of TID No. 6	\$ 5,112,978
	Capitalized Interest	461,781
	Issuance Costs	42,700
	Reoffering Premium/Underwrites Discount	(212,459)

Additional information about the Village's long-term obligations can be found in Note III-F, beginning on page 39 of this report.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- > On March 24, 2015 the Village of Germantown issued a \$2,655,000 General Obligation Promissory Note – Series 2015A to be used for road construction and repair, Public Safety equipment and building repair, heavy duty Public Works vehicles and Parks Department pathway and basketball court repair with a true interest cost of 1.6057%.
- > Moody's Investors Service has maintained its rating of the Village at Aa2.
- > The State of Wisconsin's budget covers a two year period from July 1 of one odd-numbered year through June 30 of the next odd numbered year. The state legislature is currently debating the 2015 - 2017 budget, passage is expected by June 30 2015. Current 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. 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 2014 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.
- > The Village of Germantown is expected to place a referendum question on a ballot late fall 2015 to increase the village levy by an amount not to exceed \$1,000,000 to fund a full time fully staffed 24/7 Fire Department providing round the clock Fire & EMS Services. This will require the hiring of twelve additional staff members.

REQUESTS FOR INFORMATION

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

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 16,990,117	\$ 7,202,145	\$ 24,192,262
Receivables (net)			
Taxes	12,484,017	-	12,484,017
Accounts receivable	585,016	2,159,729	2,744,745
Special assessments receivable	32,797	30,167	62,964
Developer	1,003,890	-	1,003,890
Accrued interest	18,178	8,603	26,781
Internal balances	447,803	(447,803)	-
Prepaid items	919,653	3,334	922,987
Land held for resale	587,479	-	587,479
Restricted Assets			
Cash and investments	217,144	688,251	905,395
Accrued interest	312	477	789
Capital Assets			
Land	13,577,807	175,599	13,753,406
Construction in progress	126,345	40,400	166,745
Capital assets, net of depreciation	<u>61,668,665</u>	<u>58,834,671</u>	<u>120,503,336</u>
Total Assets	<u>108,659,223</u>	<u>68,695,573</u>	<u>177,354,796</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>262,561</u>	<u>-</u>	<u>262,561</u>
LIABILITIES			
Accounts payable and accrued expenses	1,405,147	468,925	1,874,072
Accrued interest payable	170,203	5,491	175,694
Deposits	-	116,800	116,800
Noncurrent Liabilities			
Due within one year	4,602,326	93,011	4,695,337
Due in more than one year	<u>25,936,007</u>	<u>1,386,108</u>	<u>27,322,115</u>
Total Liabilities	<u>32,113,683</u>	<u>2,070,335</u>	<u>34,184,018</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	<u>12,422,337</u>	<u>-</u>	<u>12,422,337</u>
NET POSITION			
Net investment in capital assets	58,828,409	57,657,469	116,205,203
Restricted for			
Impact fees	217,456	203,558	421,014
Library	111,130	-	111,130
Debt service	1,615,119	117,726	1,732,845
Equipment replacement	-	361,953	361,953
TIF purposes	8,441,186	-	8,441,186
Unrestricted (deficit)	<u>(4,827,536)</u>	<u>8,284,532</u>	<u>3,737,671</u>
TOTAL NET POSITION	<u>\$ 64,385,764</u>	<u>\$ 66,625,238</u>	<u>\$131,011,002</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,723,573	\$ 305,520	\$ -	\$ -
Public safety	7,373,151	1,158,225	139,290	44,367
Public works	5,287,992	271,855	983,922	-
Culture, education and recreation	2,905,723	1,001,646	333,823	67,122
Conservation and development	2,090,544	14,861	-	-
Interest and fiscal charges	<u>751,307</u>	<u>-</u>	<u>9,031</u>	<u>-</u>
Total Governmental Activities	<u>20,132,290</u>	<u>2,752,107</u>	<u>1,466,066</u>	<u>111,489</u>
Business-type Activities				
Water	2,092,364	2,452,719	-	562,431
Sewer	<u>5,571,720</u>	<u>5,644,929</u>	<u>-</u>	<u>365,899</u>
Total Business-type Activities	<u>7,664,084</u>	<u>8,097,648</u>	<u>-</u>	<u>928,330</u>
Totals	<u>\$ 27,796,374</u>	<u>\$ 10,849,755</u>	<u>\$ 1,466,066</u>	<u>\$ 1,039,819</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, tax increment

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Miscellaneous

 Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,418,053)	\$ -	\$ (1,418,053)
(6,031,269)	-	(6,031,269)
(4,032,215)	-	(4,032,215)
(1,503,132)	-	(1,503,132)
(2,075,683)	-	(2,075,683)
<u>(742,276)</u>	<u>-</u>	<u>(742,276)</u>
<u>(15,802,628)</u>	<u>-</u>	<u>(15,802,628)</u>
-	922,786	922,786
-	<u>439,108</u>	<u>439,108</u>
-	<u>1,361,894</u>	<u>1,361,894</u>
<u>(15,802,628)</u>	<u>1,361,894</u>	<u>(14,440,734)</u>
8,950,355	-	8,950,355
2,123,188	-	2,123,188
1,406,475	-	1,406,475
426,539	-	426,539
946,067	-	946,067
135,166	42,192	177,358
<u>1,871,679</u>	<u>-</u>	<u>1,871,679</u>
<u>15,859,469</u>	<u>42,192</u>	<u>15,901,661</u>
<u>529,246</u>	<u>(529,246)</u>	<u>-</u>
586,087	874,840	1,460,927
<u>63,799,677</u>	<u>65,750,398</u>	<u>129,550,075</u>
<u>\$ 64,385,764</u>	<u>\$ 66,625,238</u>	<u>\$ 131,011,002</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
ASSETS				
Cash and investments	\$ 3,854,975	\$ 1,783,251	\$ 1,736,964	\$ 3,255,781
Receivables				
Taxes	8,977,501	2,205,941	5,885	1,255,320
Special assessments	32,797	-	-	-
Accounts	582,595	-	-	-
Developer	-	-	1,003,890	-
Delinquent taxes	39,370	-	-	-
Accrued interest	7,054	2,072	2,083	5,795
Due from other funds	541,006	-	-	-
Prepaid items	149,592	-	770,061	-
Restricted Assets				
Cash and investments	-	-	-	-
Accrued interest	-	-	-	-
	<u>\$ 14,184,890</u>	<u>\$ 3,991,264</u>	<u>\$ 3,518,883</u>	<u>\$ 4,516,896</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 415,617	\$ -	\$ 231,879	\$ 23,253
Accrued liabilities	448,018	-	-	-
Due to other governments	1,237	-	-	-
Due to other funds	7,546	-	-	-
Total Liabilities	<u>872,418</u>	<u>-</u>	<u>231,879</u>	<u>23,253</u>
Deferred Inflows of Resources				
Unearned revenue	8,961,076	2,205,941	-	1,255,320
Unavailable revenues	81,904	-	1,009,775	-
Total Deferred Inflows of Resources	<u>9,042,980</u>	<u>2,205,941</u>	<u>1,009,775</u>	<u>1,255,320</u>
Fund Balances				
Nonspendable	149,592	-	770,061	-
Restricted	-	1,785,323	254,529	3,238,323
Committed	-	-	-	-
Assigned	786,221	-	1,252,639	-
Unassigned	3,333,679	-	-	-
Total Fund Balances	<u>4,269,492</u>	<u>1,785,323</u>	<u>2,277,229</u>	<u>3,238,323</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 14,184,890</u>	<u>\$ 3,991,264</u>	<u>\$ 3,518,883</u>	<u>\$ 4,516,896</u>

See accompanying notes to financial statements.

TID No. 6 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ 5,222,334	\$ 252,440	\$ 16,105,745
-	-	12,444,647
-	-	32,797
-	-	582,595
-	-	1,003,890
-	-	39,370
-	262	17,266
7,546	-	548,552
-	-	919,653
-	217,144	217,144
-	312	312
<u>\$ 5,229,880</u>	<u>\$ 470,158</u>	<u>\$ 31,911,971</u>
\$ 27,017	\$ 295	\$ 698,061
-	-	448,018
-	-	1,237
-	-	7,546
<u>27,017</u>	<u>295</u>	<u>1,154,862</u>
-	-	12,422,337
-	-	1,091,679
-	-	13,514,016
-	-	919,653
5,202,863	328,586	10,809,624
-	141,277	141,277
-	-	2,038,860
-	-	3,333,679
<u>5,202,863</u>	<u>469,863</u>	<u>17,243,093</u>
<u>\$ 5,229,880</u>	<u>\$ 470,158</u>	<u>\$ 31,911,971</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2014

Total Fund Balances - Governmental Funds	\$ 17,243,093
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Amounts reported for governmental activities in the statement of net position are different because:

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

Land	13,577,807
Other capital assets, net of depreciation	61,668,665
Construction in progress	126,345

Land held for resale is not a financial resource and is, therefore, not reported in the funds	587,479
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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.	1,091,679
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Internal service funds are reported in the statement of net position as governmental activities.	629,874
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Internal service fund internal receivable between governmental and business-type activities	(93,203)
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(29,245,000)
Capital leases	(129,579)
Compensated absences	(712,002)
Accrued interest	(170,203)
Unamortized debt discount/premium	(451,752)
Unamortized loss on refunding	<u>262,561</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 64,385,764</u>
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VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2014

	General Fund	Debt Service Fund	General Capital Projects	TID No. 4 Capital Projects Fund
REVENUES				
Taxes	\$ 9,339,211	\$ 2,123,188	\$ -	\$ 1,406,475
Special assessments	4,685	-	335,265	-
Intergovernmental	2,267,566	9,031	46,587	41,512
Regulation and compliance	1,174,161	-	-	-
Public charges for services	1,543,154	-	-	-
Investment income	25,012	20,514	61,508	22,675
Miscellaneous	141,878	-	27,480	1,859,260
Total Revenues	14,495,667	2,152,733	470,840	3,329,922
EXPENDITURES				
Current				
General government	1,411,749	-	-	-
Public safety	6,874,449	-	-	-
Public works	3,542,386	-	-	-
Culture and recreation	2,396,560	-	-	-
Conservation and development	206,748	-	-	147,876
Capital Outlay	161,763	-	2,086,380	1,772,417
Debt Service				
Principal	-	5,477,985	-	-
Interest and fiscal charges	-	617,882	-	-
Debt issuance costs	-	20,368	35,044	-
Total Expenditures	14,593,655	6,116,235	2,121,424	1,920,293
Excess (deficiency) of revenues over expenditures	(97,988)	(3,963,502)	(1,650,584)	1,409,629
OTHER FINANCING SOURCES (USES)				
Proceeds of capital leases	-	-	151,380	-
Issuance of general obligation notes	-	-	2,645,000	-
Issuance of refunding debt	-	1,065,000	-	-
Premium on long-term debt	-	161,636	-	-
Transfers in	530,846	1,824,897	279,000	219
Transfers out	(279,219)	-	(307,981)	(1,496,516)
Total Other Financing Sources (Uses)	251,627	3,051,533	2,767,399	(1,496,297)
Net Change in Fund Balances	153,639	(911,969)	1,116,815	(86,668)
FUND BALANCES - Beginning of Year	4,115,853	2,697,292	1,160,414	3,324,991
FUND BALANCES - END OF YEAR	\$ 4,269,492	\$ 1,785,323	\$ 2,277,229	\$ 3,238,323

See accompanying notes to financial statements.

TID No. 6 Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ -	\$ 12,868,874
-	-	339,950
-	-	2,364,696
-	-	1,174,161
-	148,358	1,691,512
1,123	2,647	133,479
-	<u>30,879</u>	<u>2,059,497</u>
<u>1,123</u>	<u>181,884</u>	<u>20,632,169</u>
-	-	1,411,749
-	4,232	6,878,681
-	-	3,542,386
-	12,682	2,409,242
97,713	-	452,337
275,306	32,364	4,328,230
-	-	5,477,985
-	-	617,882
<u>92,426</u>	<u>-</u>	<u>147,838</u>
<u>465,445</u>	<u>49,278</u>	<u>25,266,330</u>
<u>(464,322)</u>	<u>132,606</u>	<u>(4,634,161)</u>
-	-	151,380
5,405,000	-	8,050,000
-	-	1,065,000
262,185	-	423,821
-	-	2,634,962
-	<u>(22,000)</u>	<u>(2,105,716)</u>
<u>5,667,185</u>	<u>(22,000)</u>	<u>10,219,447</u>
5,202,863	110,606	5,585,286
-	<u>359,257</u>	<u>11,657,807</u>
<u>\$ 5,202,863</u>	<u>\$ 469,863</u>	<u>\$ 17,243,093</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$	5,585,286
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		4,328,230
Some items reported as capital outlay were not capitalized		(1,881,034)
Depreciation is reported in the government-wide financial statements		(2,577,406)
Net book value of assets retired		(39,045)
Net book value of TIF land held for resale that was sold.		(321,399)
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.		(351,257)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(9,115,000)
Capital lease issued		(151,380)
Premium on debt issued		(423,821)
Capital lease repaid		21,801
Principal repaid		5,477,985
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Amortization of debt discount/premium		19,839
Amortization of loss on refunding		(63,219)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(25,738)
Accrued interest on debt		52,343
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		49,902
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	586,087

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
ASSETS				
Current Assets				
Cash and investments	\$ 2,687,679	\$ 4,199,034	\$ 6,886,713	\$ 884,372
Accounts receivable	546,773	1,612,956	2,159,729	2,421
Accrued interest	3,206	5,397	8,603	912
Due from other funds	52,438	-	52,438	-
Prepaid items	1,667	1,667	3,334	-
Restricted Assets				
Redemption account	<u>32,740</u>	<u>-</u>	<u>32,740</u>	<u>-</u>
Total Current Assets	<u>3,324,503</u>	<u>5,819,054</u>	<u>9,143,557</u>	<u>887,705</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	50,554	-	50,554	-
Replacement account	-	311,399	311,399	-
Impact fee account	203,558	-	203,558	-
Accrued interest	477	-	477	-
Capital Assets				
Plant in service	37,179,217	44,985,519	82,164,736	-
Land	140,450	35,149	175,599	-
Construction in progress	40,400	-	40,400	-
Less: Accumulated depreciation	(10,046,369)	(13,283,696)	(23,330,065)	-
Other Assets				
Vehicle replacement account	-	315,432	315,432	-
Special assessments receivable	<u>30,167</u>	<u>-</u>	<u>30,167</u>	<u>-</u>
Total Noncurrent Assets	<u>27,688,454</u>	<u>32,363,803</u>	<u>60,052,257</u>	<u>-</u>
Total Assets	<u>31,012,957</u>	<u>38,182,857</u>	<u>69,195,814</u>	<u>887,705</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 73,544	\$ 380,524	\$ 454,068	\$ 257,831
Due to other funds	538,901	54,543	593,444	-
Accrued wages	7,883	6,974	14,857	-
Special deposits	116,800	-	116,800	-
Current portion of compensated absences	1,278	1,300	2,578	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	90,433	-	90,433	-
Accrued interest payable	5,491	-	5,491	-
Total Current Liabilities	<u>834,330</u>	<u>443,341</u>	<u>1,277,671</u>	<u>257,831</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,302,768	-	1,302,768	-
Compensated absences	41,316	42,024	83,340	-
Total Noncurrent Liabilities	<u>1,344,084</u>	<u>42,024</u>	<u>1,386,108</u>	<u>-</u>
Total Liabilities	<u>2,178,414</u>	<u>485,365</u>	<u>2,663,779</u>	<u>257,831</u>
NET POSITION				
Net investment in capital assets	25,920,497	31,736,972	57,657,469	629,874
Restricted for				
Impact fees	203,558	-	203,558	-
Debt service	117,726	-	117,726	-
Equipment replacement	50,554	311,399	361,953	-
Unrestricted net position	<u>2,542,208</u>	<u>5,649,121</u>	<u>8,191,329</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 28,834,543</u>	<u>\$ 37,697,492</u>	66,532,035	<u>\$ 629,874</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>93,203</u>	
NET POSITION BUSINESS-TYPE ACTIVITIES			<u>\$ 66,625,238</u>	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for services	\$ -	\$ 5,598,152	\$ 5,598,152	\$ -
Sale of water	2,352,633	-	2,352,633	-
Other	64,339	43,984	108,323	1,798,994
Total Operating Revenues	<u>2,416,972</u>	<u>5,642,136</u>	<u>8,059,108</u>	<u>1,798,994</u>
OPERATING EXPENSES				
Operation and maintenance	1,293,026	4,866,068	6,159,094	1,746,943
Depreciation	752,120	709,537	1,461,657	-
Total Operating Expenses	<u>2,045,146</u>	<u>5,575,605</u>	<u>7,620,751</u>	<u>1,746,943</u>
Operating Income	<u>371,826</u>	<u>66,531</u>	<u>438,357</u>	<u>52,051</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	18,894	23,298	42,192	5,450
Miscellaneous revenues	35,747	2,793	38,540	-
Interest expense	(50,932)	-	(50,932)	-
Total Nonoperating Revenues (Expenses)	<u>3,709</u>	<u>26,091</u>	<u>29,800</u>	<u>5,450</u>
Income Before Contributions and Transfers	<u>375,535</u>	<u>92,622</u>	<u>468,157</u>	<u>57,501</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	562,431	365,899	928,330	-
Transfers out - tax equivalent	(529,246)	-	(529,246)	-
Total Contributions and Transfers	<u>33,185</u>	<u>365,899</u>	<u>399,084</u>	<u>-</u>
Change in Net Position	408,720	458,521	867,241	57,501
NET POSITION - Beginning of Year	<u>28,425,823</u>	<u>37,238,971</u>	<u>65,664,794</u>	<u>572,373</u>
NET POSITION- END OF YEAR	<u>\$ 28,834,543</u>	<u>\$ 37,697,492</u>	66,532,035	<u>\$ 629,874</u>
Change in Net Position of Proprietary Funds			867,241	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>7,599</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 874,840</u>	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 2,243,074	\$ 5,489,619	\$ 7,732,693	\$ 1,798,109
Received from other funds for services	521,776	-	521,776	-
Paid to suppliers for goods and services	(815,884)	(4,468,116)	(5,284,000)	(1,513,885)
Paid to employees for services	(438,767)	(395,375)	(834,142)	-
Net Cash Flows From Operating Activities	<u>1,510,199</u>	<u>626,128</u>	<u>2,136,327</u>	<u>284,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold and matured	1,176,624	2,374,687	3,551,311	-
Investment income	19,243	24,708	43,951	4,699
Investments purchased	(2,078,967)	(3,409,656)	(5,488,623)	-
Net Cash Flows From Investing Activities	<u>(883,100)</u>	<u>(1,010,261)</u>	<u>(1,893,361)</u>	<u>4,699</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(574,705)	-	(574,705)	-
Net Cash Flows From Noncapital Financing Activities	<u>(574,705)</u>	<u>-</u>	<u>(574,705)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(580,780)	(1,046,065)	(1,626,845)	-
Capital contributions received	88,966	312,545	401,511	-
Special assessments received	51,352	49,854	101,206	-
Debt retired	(89,512)	-	(89,512)	-
Interest paid	(51,258)	-	(51,258)	-
Proceeds from sale of capital assets	173,164	-	173,164	-
Net Cash Flows From Capital and Related Financing Activities	<u>(408,068)</u>	<u>(683,666)</u>	<u>(1,091,734)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>(355,674)</u>	<u>(1,067,799)</u>	<u>(1,423,473)</u>	<u>288,923</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,341,238</u>	<u>2,484,008</u>	<u>3,825,246</u>	<u>595,449</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 985,564</u>	<u>\$ 1,416,209</u>	<u>\$ 2,401,773</u>	<u>\$ 884,372</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 371,826	\$ 66,531	\$ 438,357	\$ 52,051
Nonoperating revenue	16,737	2,793	19,530	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	752,120	709,537	1,461,657	-
Depreciation charged to other funds	35,988	-	35,988	-
Changes in assets and liabilities				
Accounts receivable	169,096	(156,592)	12,504	(885)
Due from other funds	9,257	1,282	10,539	-
Prepaid items	1,666	1,666	3,332	-
Accounts payable	25,668	4,523	30,191	233,058
Due to other funds	7,844	(8,756)	(912)	-
Accrued wages	-	795	795	-
Other current liabilities	37	-	37	-
Accrued sick leave	3,160	4,349	7,509	-
Customer deposits	<u>116,800</u>	<u>-</u>	<u>116,800</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,510,199</u>	<u>\$ 626,128</u>	<u>\$ 2,136,327</u>	<u>\$ 284,224</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments - statement of net position	\$ 2,687,679	\$ 4,199,034	\$ 6,886,713	\$ 884,372
Restricted cash and investments - statement of net position	376,852	311,399	688,251	-
Vehicle replacement account	<u>-</u>	<u>315,432</u>	<u>315,432</u>	<u>-</u>
Total Cash and Investments	3,064,531	4,825,865	7,890,396	884,372
Less: Noncash equivalents	<u>(2,078,967)</u>	<u>(3,409,656)</u>	<u>(5,488,623)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>\$ 985,564</u>	<u>\$ 1,416,209</u>	<u>\$ 2,401,773</u>	<u>\$ 884,372</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	<u>\$ 231,328</u>	<u>\$ 3,500</u>		<u>\$ -</u>
Plant contributed from the TIF	<u>\$ 207,686</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2014

	<u>Agency Fund Tax Collection Fund</u>
ASSETS	
Cash and investments	\$ 23,478,939
Taxes receivable	<u>7,036,889</u>
TOTAL ASSETS	<u>\$ 30,515,828</u>
LIABILITIES	
Accounts payable	\$ 313,744
Due to other governments	<u>30,202,084</u>
TOTAL LIABILITIES	<u>\$ 30,515,828</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

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VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

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

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

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- General Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital projects program.
- Tax Incremental District (TID) No. 4 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.
- Tax Incremental District (TID) No. 6 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The village reports the following major enterprise funds:

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

The village reports the following nonmajor governmental funds:

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

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

In addition, the village reports the following fund types:

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

Health Insurance Fund
Dental Insurance Fund

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

Tax Collection Fund

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

Government-Wide Financial Statements

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Government-Wide Financial Statements (cont.)

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

Fund Financial Statements

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

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

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

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

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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

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

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

1. Deposits and Investments (cont.)

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

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (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, 2014, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

2. Receivables

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

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

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

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

3. Prepaid Items

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

4. Restricted Assets

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

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

5. Capital Assets

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

6. Other Assets

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

7. Deferred Outflows of Resources

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

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

8. Compensated Absences

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

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

Employees who retire and are eligible to draw a Wisconsin Retirement Annuity will have 50%, or other collectively bargained percentage, of their unused accumulated sick leave converted into dollars at the time of their retirement and forwarded to ICMA Retirement Corporation to open a VantageCare Retirement Health Savings Plan (RHS). The RHS is a tax-advantaged investment plan dedicated to funding health care costs. The employee has ownership of the funds and may use the dollars to remain on the village health care plan until age 65. Funding for the RHS contribution are provided out of the current operating budget of the village. The contributions are financed on a pay as you go basis. The total expenditure for the year was \$41,450.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

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

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

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

The village has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$50,213,347, made up of 14 issues.

10. Deferred Inflows of Resources

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

11. Equity Classifications

Government-Wide Statements

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

11. Equity Classifications (cont.)

Government-Wide Statements (cont.)

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 58,828,409	\$ 57,657,469	\$ (280,675)	\$ 116,205,203
Unrestricted	(4,827,536)	8,284,532	280,675	3,737,671

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are constrained by the Village Board or village management as established by village policy with the intent for the amounts to be used for specific purposes, but is neither restricted nor committed.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

11. Equity Classifications (cont.)

Fund Statements (cont.)

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

The village has a formal minimum fund balance policy. That policy is to maintain a working capital fund of 10-15% of the village's subsequent year general fund expenditure budget. The balance at year end was \$3,333,679, or 22%, and is included in unassigned general fund balance.

See Note III. H. for further information.

12. Basis for Existing Rates

Water Utility

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

Sewer Utility

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 4,991,728	\$ 6,116,235	\$ 1,124,507
Dental Insurance Fund	88,300	100,572	12,272
Library Fund	500	32,522	32,022
TID No. 4 Capital Projects	1,929,664	3,416,809	1,487,145

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

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 2014 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 23,281,948	\$ 23,359,747	Custodial Credit
US agencies - implicitly guaranteed	2,867,072	2,867,072	Credit, Custodial Credit, Concentration of Credit, Interest Rate
US agencies - explicitly guaranteed	3,468,156	3,468,156	Custodial Credit, Interest Rate
US treasuries	588,452	588,452	Custodial Credit, Interest Rate
Municipal bonds	51,754	51,754	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	18,317,024	18,350,719	Credit
Petty cash	2,190	-	N/A
 Total Deposits and Investments	 \$ 48,576,596	 \$ 48,685,900	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 24,192,262		
Restricted cash and investments	905,395		
Per statement of assets and liabilities - agency funds			
Agency Fund	23,478,939		
 Total Deposits and Investments	 \$ 48,576,596		

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

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

At December 31, 2014, a bank had pledged an irrevocable letter of credit in the amount of \$20,000,000 to secure the village's deposits.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, \$717,374 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>717,374</u>
Total	\$ <u><u>717,374</u></u>

Investments

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

All investments that are subject to custodial credit risk have collateral held by the pledging financial institution.

Credit Risk

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

All investments reported as US agencies - implicitly guaranteed have been rated at the AAA level by one of the three main credit rating agencies. Municipal bond ratings range between AA2 and A1.

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

Local Government Investment Pool

Concentration of Credit Risk

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At December 31, 2014, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	US agencies - implicitly guaranteed	11.34%

Interest Rate Risk

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

As of December 31, 2014, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 year	1-4 years	More than 4 years
US agencies - explicitly guaranteed	\$ 3,468,156	\$ 115,051	\$ 3,353,105	\$ -
US agencies - implicitly guaranteed	2,867,072	-	2,668,116	198,956
US treasuries	588,452	588,452	-	-
Municipal Bonds	51,754	15,407	36,347	-
Totals	<u>\$ 6,975,434</u>	<u>\$ 718,910</u>	<u>\$ 6,057,568</u>	<u>\$ 198,956</u>

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

B. RECEIVABLES

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

B. RECEIVABLES (cont.)

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 12,422,337	\$ -
Delinquent property taxes receivable	-	39,370
Special assessments not yet due	-	38,982
Developer receivable not yet due	-	880,000
Accounts receivable due from developer	-	129,775
Parks and recreation	-	3,552
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 12,422,337	 \$ 1,091,679

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

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

Equipment Replacement Account

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

Impact Fee Account

The village has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

C. RESTRICTED ASSETS (cont.)

Following is a list of restricted assets at December 31, 2014:

	Restricted Assets
Governmental Activities	
Impact fee accounts	
Cash and investments	\$ 217,144
Accrued interest	312
Business-type Activities	
Sewer equipment replacement account	311,399
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	50,554
Water impact fees	203,558
Water interest receivable	477
Total	\$ 906,184

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 13,577,807	\$ -	\$ -	\$ 13,577,807
Construction in progress	-	126,345	-	126,345
Total Capital Assets Not Being Depreciated	13,577,807	126,345	-	13,704,152
Capital assets being depreciated				
Buildings and improvements	15,861,807	228,162	142,290	15,947,679
Machinery and equipment	10,663,700	590,921	477,021	10,777,600
Roads	47,300,054	1,290,626	330,163	48,260,517
Storm sewers	20,504,979	211,142	6,783	20,709,338
Street lighting	2,648,616	-	-	2,648,616
Bridges	7,070,094	-	-	7,070,094
Total Capital Assets Being Depreciated	104,049,250	2,320,851	956,257	105,413,844
Total Capital Assets	117,627,057	2,447,196	956,257	119,117,996

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (6,392,977)	\$ (455,685)	\$ 139,818	\$ (6,708,844)
Machinery and equipment	(6,720,724)	(522,449)	477,021	(6,766,152)
Roads	(14,832,028)	(939,866)	300,101	(15,471,793)
Storm sewers	(9,797,178)	(412,143)	272	(10,209,049)
Street lighting	(1,836,955)	(107,586)	-	(1,944,541)
Bridges	(2,505,123)	(139,677)	-	(2,644,800)
Total Accumulated Depreciation	(42,084,985)	(2,577,406)	917,212	(43,745,179)
Net Capital Assets Being Depreciated	61,964,265	(256,555)	39,045	61,668,665
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 75,542,072</u>	<u>\$ (130,210)</u>	<u>\$ 39,045</u>	<u>\$ 75,372,817</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 100,241
Public safety	481,826
Public works, which includes the depreciation of infrastructure	1,779,143
Leisure activities	216,196
Total Governmental Activities Depreciation Expense	<u>\$ 2,577,406</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 329,753	\$ -	\$ 154,154	\$ 175,599
Construction in progress	<u>15,765</u>	<u>24,635</u>	<u>-</u>	<u>40,400</u>
Total Capital Assets Not Being Depreciation	<u>345,518</u>	<u>24,635</u>	<u>154,154</u>	<u>215,999</u>
Capital assets being depreciated				
Buildings and improvements	4,287,552	2,512	500	4,289,564
Machinery and equipment	6,043,864	51,159	2,242	6,092,781
Sewer system	38,513,471	1,046,844	-	39,560,315
Water system	<u>31,277,355</u>	<u>989,657</u>	<u>44,936</u>	<u>32,222,076</u>
Total Capital Assets Being Depreciated	<u>80,122,242</u>	<u>2,090,172</u>	<u>47,678</u>	<u>82,164,736</u>
Total Capital Assets	<u>80,467,760</u>	<u>2,114,807</u>	<u>201,832</u>	<u>82,380,735</u>
Less: Accumulated depreciation for				
Buildings and improvements	(673,292)	(124,909)	500	(797,701)
Machinery and equipment	(2,289,659)	(395,737)	2,242	(2,683,154)
Sewer system	(11,485,357)	(410,984)	-	(11,896,341)
Water system	<u>(7,431,790)</u>	<u>(566,015)</u>	<u>44,936</u>	<u>(7,952,869)</u>
Total Accumulated Depreciation	<u>(21,880,098)</u>	<u>(1,497,645)</u>	<u>47,678</u>	<u>(23,330,065)</u>
Net Capital Assets Being Depreciated	<u>58,242,144</u>	<u>592,527</u>	<u>-</u>	<u>58,834,671</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 58,587,662</u>	<u>\$ 617,162</u>	<u>\$ 154,154</u>	<u>\$ 59,050,670</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Water	\$ 752,120
Sewer	<u>709,537</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,461,657</u>

Decreases in accumulated depreciation include capital asset retirements and cost of removal. Additions to accumulated depreciation include depreciation expense as well as salvage on retired assets. Accumulated depreciation by asset on sewer utility assets is not available.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General fund	Water utility	\$ 538,901
General fund	Sewer utility	2,105
TID No. 6 capital projects	General fund	7,546
Water utility	Sewer utility	52,438
Total - Fund Financial Statements		600,990
Less: Fund eliminations		(59,984)
Less: Interfund receivables created with internal service fund eliminations		(93,203)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 447,803
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 541,006
Business-type Activities	Governmental Activities	(93,203)
Total Government-Wide Financial Statements		\$ 447,803

All amounts are due within one year.

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The majority of the amount due to the general fund from the water utility represents the 2014 payment in lieu of tax.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	General capital projects Nonmajor governmental funds	\$ 1,600	Reimbursement of expenditures paid
Debt service fund	General capital projects	22,000	Debt service
Debt service fund	TID No. 4 capital projects fund	306,381	Debt Service
Debt service fund	General fund	1,496,516	Debt service
General capital projects	General fund	279,000	Reimbursement of expenditures paid
General fund	Water utility	529,246	Payment in lieu of taxes
TID No. 4 capital project fund	General fund	<u>219</u>	Transfer of increment
Total - Fund Financial Statements		2,634,962	
Less: Fund eliminations		<u>(2,105,716)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 529,246</u>	

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 25,607,985	\$ 9,115,000	\$ 5,477,985	\$ 29,245,000	\$ 4,545,000
(Discounts)/Premiums	<u>47,770</u>	<u>423,821</u>	<u>19,839</u>	<u>451,752</u>	<u>-</u>
Sub-totals	<u>25,655,755</u>	<u>9,538,821</u>	<u>5,497,824</u>	<u>29,696,752</u>	<u>4,545,000</u>
Other Liabilities					
Vested compensated absences	686,264	805,959	780,221	712,002	25,634
Capital leases	-	151,380	21,801	129,579	31,692
Total Other Liabilities	<u>686,264</u>	<u>957,339</u>	<u>802,022</u>	<u>841,581</u>	<u>57,326</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 26,342,019</u>	<u>\$ 10,496,160</u>	<u>\$ 6,299,846</u>	<u>\$ 30,538,333</u>	<u>\$ 4,602,326</u>
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 1,482,713	\$ -	\$ 89,512	\$ 1,393,201	\$ 90,433
Sub-totals	<u>1,482,713</u>	<u>-</u>	<u>89,512</u>	<u>1,393,201</u>	<u>90,433</u>
Other Liabilities					
Vested compensated absences	78,409	81,416	73,907	85,918	2,578
Total Other Liabilities	<u>78,409</u>	<u>81,416</u>	<u>73,907</u>	<u>85,918</u>	<u>2,578</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,561,122</u>	<u>\$ 81,416</u>	<u>\$ 163,419</u>	<u>\$ 1,479,119</u>	<u>\$ 93,011</u>

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, 2014, was \$114,167,605. Total general obligation debt outstanding at year end was \$29,245,000.

General Obligation Debt

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
GO Refunding Bonds - TID No. 3	5/1/2003	2015	2.00 - 3.60%	\$ 4,605,000	\$ 750,000
GO Refunding Bonds - TID No. 4	6/15/2005	2021	2.80 - 4.00%	2,265,000	1,015,000
GO Refunding Bonds - TID No. 5	6/15/2005	2021	2.80 - 4.00%	845,000	375,000
GO Refunding Bonds - General	6/15/2005	2021	2.80 - 4.00%	2,395,000	1,730,000
Notes	6/15/2005	2015	2.95 - 3.70%	445,000	55,000
Notes	4/15/2006	2016	4.00%	2,520,000	595,000
GO Street Improvement Bond	5/1/2007	2026	4.00 - 4.375%	520,000	385,000
GO Promissory Note	5/1/2007	2016	3.50 - 3.75%	1,290,000	335,000
GO Promissory Note	12/15/2007	2017	3.85%	2,600,000	880,000
GO Promissory Note	5/15/2008	2018	3.70%	1,480,000	670,000
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	1,235,000
GO Refunding Bonds - TID No. 5	8/6/2009	2018	1.00 - 3.10%	565,000	290,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	3,045,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,680,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.75%	805,000	585,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	2,120,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.35 - 1.75%	3,085,000	2,670,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	1,715,000
GO Community Development Bonds	10/1/2014	2034	3.00 - 4.00%	5,405,000	5,405,000
GO Promissory Note	5/14/2014	2024	2.00 - 3.00%	2,645,000	2,645,000
GO Refunding Bonds	5/14/2014	2024	2.00 - 3.00%	1,065,000	<u>1,065,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 29,245,000</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2015	\$ 4,545,000	\$ 741,929
2016	3,820,000	622,877
2017	3,520,000	527,066
2018	3,330,000	442,335
2019	2,385,000	366,115
2020-2024	7,345,000	1,091,631
2025-2029	2,090,000	543,041
2030-2034	<u>2,210,000</u>	<u>192,585</u>
Totals	<u>\$ 29,245,000</u>	<u>\$ 4,527,579</u>

Revenue Debt

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

The village has pledged future water revenues to repay revenue bonds issued in 2005 and 2009. Proceeds from the bonds provided financing for the construction of water plant. The bonds are payable solely from water revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require 5.42% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,736,835. Principal and interest paid for the current year and total customer gross revenues were \$140,770 and \$2,560,579, respectively.

Revenue debt payable at December 31, 2014, consists of the following:

Business-type Activities Revenue Debt

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	\$ 1,130,000	\$ 750,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	<u>643,201</u>
Total Business-type Activities - Revenue Debt					<u>\$ 1,393,201</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2015	\$ 90,433	\$ 48,263
2016	91,378	45,187
2017	97,349	42,004
2018	98,345	38,534
2019	104,368	35,008
2020-2024	583,166	114,380
2025-2029	<u>328,162</u>	<u>20,258</u>
Totals	<u>\$ 1,393,201</u>	<u>\$ 343,634</u>

Other Debt Information

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

Current Refunding

On May 14, 2014, the village issued \$1,065,000 in general obligation bonds with an average coupon rate of 2.30% to refund \$1,115,000 of outstanding bonds with an average coupon rate of 2.98%. The net proceeds along with existing funds of the village were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,204,882 from 2014 through 2020. The cash flow requirements on the 2014 refunding bonds are \$1,155,351 from 2015 through 2020. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$47,981.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Bond Covenant Disclosures

Insurance

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

The utility is covered under the following insurance policies at December 31, 2014:

Type	Coverage	Expiration
General Liability	\$ 11,000,000	1/1/2015
Automobile	11,000,000	1/1/2015
Workers Compensation	500,000	1/1/2015
Local Government Property Insurance Fund	50,003,884	1/1/2015

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.25 times the annual debt service of the bonds. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2014 as follows:

Operating revenues	\$ 2,416,972
Investment income	18,894
Miscellaneous nonoperating income	35,747
Impact fees	88,966
Less: Operation and maintenance expenses	<u>(1,293,026)</u>
Net Defined Earnings	<u>\$ 1,267,553</u>
Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 88,638
Annual debt service - 2009 revenue bonds	<u>52,133</u>
Subtotal	140,771
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 175,964</u>
Actual Debt Coverage	<u>9.00</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

G. LEASE DISCLOSURES

Lessee - Capital Leases

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

<u>Years</u>	Governmental Activities		
	Principal	Interest	Totals
2015	\$ 31,692	\$ 3,086	\$ 34,778
2016	31,954	2,245	34,199
2017	34,104	1,425	35,529
2018	31,829	384	32,213
Totals	\$ 129,579	\$ 7,140	\$ 136,719

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 13,577,807
Construction in progress	126,345
Other capital assets, net of accumulated depreciation	61,668,665
Less: Capital related long-term debt outstanding	(16,544,408)
Total Net Investment in Capital Assets	58,828,409
Restricted	
Impact fees	217,456
Library	111,130
TIF purposes	8,441,186
Debt service	1,615,119
Total Restricted	10,384,891
Unrestricted (deficit)	(4,827,536)
Total Governmental Activities Net Position	\$ 64,385,764

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

Nonspendable	
Major Fund	
General Fund	
Prepaid items	<u>\$ 149,592</u>
Capital Projects Fund	
General Capital Projects - prepaid items	<u>\$ 770,061</u>
Restricted	
Major Funds	
Debt Service Fund	
Debt service	<u>\$ 1,785,323</u>
Capital Projects Fund	
General Capital Projects - Unspent proceeds	254,529
TID No. 4	3,238,323
TID No. 6	<u>5,202,863</u>
Sub-Total	<u>8,695,715</u>
Nonmajor Funds	
Special Revenue Funds	
Police Impact Fee Fund	45,507
Fire Impact Fee Fund	36,555
Library Impact Fee Fund	26,503
Park and Recreation Impact Fee Fund	108,891
Library Fund	<u>111,130</u>
Sub-Total	<u>328,586</u>
Total	<u>\$ 10,809,624</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds (cont.)

Committed

Nonmajor Funds

Special Revenue Funds

Senior Van Replacement Fund	\$	19,444
Police Asset Forfeiture Fund		20,386
Police Canine Fund		42,584
Historic Preservation Fund		345
Facility Fee Fund		<u>58,518</u>

Total \$ 141,277

Assigned

Major Funds

General Fund

Payment in lieu of tax	\$	529,246
Budget carryovers		<u>256,975</u>
Sub-Total		<u>786,221</u>

General Capital Projects Fund

Capital projects		<u>1,252,639</u>
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Total \$ 2,038,860

Unassigned

Major Funds

General fund	\$	<u>3,333,679</u>
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Business-type Activities

Net Investment in Capital Assets

Land	\$	175,599
Construction in progress		40,400
Other capital assets, net of accumulated depreciation		58,834,671
Less: Long-term debt outstanding		<u>(1,393,201)</u>
Total Net Investment in Capital Assets		<u>57,657,469</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities (cont.)

Restricted			
Impact fees	\$	203,558	
Debt service		117,726	
Equipment replacement		<u>361,953</u>	
Total Restricted		<u>683,237</u>	
 Unrestricted		 <u>8,284,532</u>	
 Total Business-type Activities Net Position	 \$	 <u>66,625,238</u>	

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible village 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 over 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, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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 employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same 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 December 31, 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for village employees covered by the WRS for the year ended December 31, 2014 was \$7,018,494; the employer's total payroll was \$7,433,576. The total required contribution for the year ended December 31, 2014 was \$1,094,791 or 15.6% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ended 2013 and 2012 were \$1,130,627 and \$944,585, 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. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of 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.

As of December 31, 2014 there was no pension related debt for the village.

The village joined the Length of Service Award Program (LOSA) in . This program encourages people to continue as volunteer employees. Half of the LOSA contribution vests after 10 years of service. An employee is fully vested after 20 years. The village contributes an amount for each active employee. The State of Wisconsin will match contributions up to a set limit per active employee. The village will also buy back years of service at a rate of \$100 per year.

	<u>Fire Board</u>
2014 current contribution	\$ 4,060
Back years bought for 2014	<u>-</u>
Total Payment Made in January 2015	<u>\$ 4,060</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

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

Self Insurance

For health claims, the uninsured risk of loss is \$35,000 per incident and \$2,000,000 in the aggregate for a policy year. The village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the village participate in the risk management program. Accounts payable in the internal service funds are based on estimates of the amounts necessary to pay prior and current year claims. That reserve was \$629,874 at year end and is reported in unrestricted net position of the internal service funds.

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

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 703	\$ 24,773
Current year claims and changes in estimates	1,190,984	1,246,244
Claim payments	<u>(1,166,914)</u>	<u>(1,013,186)</u>
Unpaid Claims - End of Year	<u>\$ 24,773</u>	<u>\$ 257,831</u>

C. COMMITMENTS AND CONTINGENCIES

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The village has active construction projects as of December 31, 2014. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. SUBSEQUENT EVENT

On March 24, 2015 the village issued general obligation promissory notes in the amount of \$2,655,000 with an interest rate of 2.00%. This amount will be used to fund future capital projects.

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

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

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

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
General property taxes	\$ 8,950,755	\$ 8,950,755	\$ 8,950,355	\$ (400)
Other taxes	341,500	343,187	388,856	45,669
Special assessments	4,685	4,685	4,685	-
Intergovernmental	2,240,486	2,240,486	2,267,566	27,080
Regulation and compliance	963,850	963,850	1,174,161	210,311
Public charges for services	1,379,443	1,379,343	1,543,154	163,811
Investment income	24,187	22,500	25,012	2,512
Miscellaneous	<u>116,650</u>	<u>116,750</u>	<u>141,878</u>	<u>25,128</u>
Total Revenues	<u>14,021,556</u>	<u>14,021,556</u>	<u>14,495,667</u>	<u>474,111</u>
EXPENDITURES				
General Government				
Village board	148,696	148,696	117,504	31,192
General administrator	112,329	113,859	99,934	13,925
Village clerk	252,345	273,831	269,094	4,737
Treasurer/accounting	194,766	196,316	190,789	5,527
Assessor	70,147	70,147	69,269	878
Data processing	101,193	67,282	62,267	5,015
General government	158,368	115,451	129,859	(14,408)
Buildings and ground maintenance	<u>518,348</u>	<u>519,012</u>	<u>473,033</u>	<u>45,979</u>
Total General Government	<u>1,556,192</u>	<u>1,504,594</u>	<u>1,411,749</u>	<u>92,845</u>
Public Safety				
Police protection	4,792,890	4,714,915	4,736,083	(21,168)
Fire protection	1,828,188	1,789,772	1,905,494	(115,722)
Emergency government	13,753	13,982	13,635	347
Protective inspections	<u>211,711</u>	<u>212,037</u>	<u>219,237</u>	<u>(7,200)</u>
Total Public Safety	<u>6,846,542</u>	<u>6,730,706</u>	<u>6,874,449</u>	<u>(143,743)</u>
Public Works				
Engineer/director	214,517	215,711	148,048	67,663
Highway and street maintenance and construction	2,948,395	2,930,894	2,845,983	84,911
Solid waste recycling	<u>555,543</u>	<u>555,787</u>	<u>548,355</u>	<u>7,432</u>
Total Public Works	<u>3,718,455</u>	<u>3,702,392</u>	<u>3,542,386</u>	<u>160,006</u>

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Culture and Recreation				
Library	\$ 818,140	\$ 899,886	\$ 826,509	\$ 73,377
Recreation	996,395	999,788	1,048,961	(49,173)
Senior center	112,427	111,203	113,962	(2,759)
Parks	<u>387,245</u>	<u>379,505</u>	<u>407,128</u>	<u>(27,623)</u>
Total Culture and Recreation	<u>2,314,207</u>	<u>2,390,382</u>	<u>2,396,560</u>	<u>(6,178)</u>
Conservation and Development				
Planning and zoning	165,303	175,569	155,417	20,152
Municipal development	<u>54,950</u>	<u>96,594</u>	<u>51,331</u>	<u>45,263</u>
Total Conservation and Development	<u>220,253</u>	<u>272,163</u>	<u>206,748</u>	<u>65,415</u>
Capital Outlay	<u>-</u>	<u>229,803</u>	<u>161,763</u>	<u>68,040</u>
Total Expenditures	<u>14,655,649</u>	<u>14,830,040</u>	<u>14,593,655</u>	<u>236,385</u>
Excess (deficiency) of revenues over expenditures	<u>(634,093)</u>	<u>(808,484)</u>	<u>(97,988)</u>	<u>710,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	581,600	581,600	530,846	(50,754)
Transfers out	<u>(400)</u>	<u>(279,619)</u>	<u>(279,219)</u>	<u>400</u>
Total Other Financing Sources (Uses)	<u>581,200</u>	<u>301,981</u>	<u>251,627</u>	<u>(50,354)</u>
Net Change in Fund Balance	(52,893)	(506,503)	153,639	660,142
FUND BALANCE - Beginning of Year	<u>4,115,853</u>	<u>4,115,853</u>	<u>4,115,853</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,062,960</u>	<u>\$ 3,609,350</u>	<u>\$ 4,269,492</u>	<u>\$ 660,142</u>

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

VILLAGE OF GERMANTOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION

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

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

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$256,975. Budgets are adopted at the department level of expenditure.

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,123,188	\$ 2,123,188	\$ 2,123,188	\$ -
Intergovernmental	15,583	15,583	9,031	(6,552)
Investment income	<u>3,000</u>	<u>3,000</u>	<u>20,514</u>	<u>17,514</u>
Total Revenues	<u>2,141,771</u>	<u>2,141,771</u>	<u>2,152,733</u>	<u>10,962</u>
EXPENDITURES				
Debt Service				
Principal	4,362,985	4,362,985	5,477,985	(1,115,000)
Interest and fiscal charges	628,743	628,743	617,882	10,861
Debt issuance costs	<u>-</u>	<u>-</u>	<u>20,368</u>	<u>(20,368)</u>
Total Expenditures	<u>4,991,728</u>	<u>4,991,728</u>	<u>6,116,235</u>	<u>(1,124,507)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,849,957)</u>	<u>(2,849,957)</u>	<u>(3,963,502)</u>	<u>(1,113,545)</u>
OTHER FINANCING SOURCES				
Issuance of refunding debt	-	-	1,065,000	1,065,000
Transfers in	2,804,825	2,804,825	1,824,897	(979,928)
Premium on long-term debt	<u>-</u>	<u>-</u>	<u>161,636</u>	<u>161,636</u>
Total Other Financing Sources	<u>2,804,825</u>	<u>2,804,825</u>	<u>3,051,533</u>	<u>246,708</u>
Net Change in Fund Balance	(45,132)	(45,132)	(911,969)	(866,837)
FUND BALANCE - Beginning of Year	<u>2,697,292</u>	<u>2,697,292</u>	<u>2,697,292</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,652,160</u>	<u>\$ 2,652,160</u>	<u>\$ 1,785,323</u>	<u>\$ (866,837)</u>

MAJOR CAPITAL PROJECTS FUNDS

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

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

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

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CAPITAL PROJECTS
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 238,906	\$ 238,906	\$ 335,265	\$ 96,359
Intergovernmental	70,379	70,379	46,587	(23,792)
Investment income	60,608	60,608	61,508	900
Miscellaneous	8,000	8,000	27,480	19,480
Total Revenues	<u>377,893</u>	<u>377,893</u>	<u>470,840</u>	<u>92,947</u>
EXPENDITURES				
Capital outlay	3,066,427	3,243,079	2,086,380	1,156,699
Debt Service				
Debt issuance costs	<u>45,000</u>	<u>45,000</u>	<u>35,044</u>	<u>9,956</u>
Total Expenditures	<u>3,111,427</u>	<u>3,288,079</u>	<u>2,121,424</u>	<u>1,166,655</u>
Excess (deficiency) of revenues over expenditures	<u>(2,733,534)</u>	<u>(2,910,186)</u>	<u>(1,650,584)</u>	<u>1,259,602</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of capital leases	-	-	151,380	151,380
Issuance of general obligation notes	3,080,000	3,080,000	2,645,000	(435,000)
Transfers in	-	279,000	279,000	-
Transfers out	<u>(306,337)</u>	<u>(306,337)</u>	<u>(307,981)</u>	<u>(1,644)</u>
Total Other Financing Sources (Uses)	<u>2,773,663</u>	<u>3,052,663</u>	<u>2,767,399</u>	<u>(285,264)</u>
Net Change in Fund Balance	40,129	142,477	1,116,815	974,338
FUND BALANCE - Beginning of Year	<u>1,160,414</u>	<u>1,160,414</u>	<u>1,160,414</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,200,543</u>	<u>\$ 1,302,891</u>	<u>\$ 2,277,229</u>	<u>\$ 974,338</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 4 CAPITAL PROJECTS FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,406,476	\$ 1,406,476	\$ 1,406,475	\$ (1)
Intergovernmental	50,000	50,000	41,512	(8,488)
Investment income	10,500	10,500	22,675	12,175
Miscellaneous	-	-	1,859,260	1,859,260
Total Revenues	<u>1,466,976</u>	<u>1,466,976</u>	<u>3,329,922</u>	<u>1,862,946</u>
EXPENDITURES				
Current:				
Conservation and development	113,000	113,000	147,876	(34,876)
Capital outlay	<u>207,623</u>	<u>321,523</u>	<u>1,772,417</u>	<u>(1,450,894)</u>
Total Expenditures	<u>320,623</u>	<u>434,523</u>	<u>1,920,293</u>	<u>(1,485,770)</u>
Excess of revenues over expenditures	<u>1,146,353</u>	<u>1,032,453</u>	<u>1,409,629</u>	<u>377,176</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	219	219	219	-
Transfers out	<u>(1,495,141)</u>	<u>(1,495,141)</u>	<u>(1,496,516)</u>	<u>(1,375)</u>
Total Other Financing Sources (Uses)	<u>(1,494,922)</u>	<u>(1,494,922)</u>	<u>(1,496,297)</u>	<u>(1,375)</u>
Net Change in Fund Balance	(348,569)	(462,469)	(86,668)	375,801
FUND BALANCE - Beginning of Year	<u>3,324,991</u>	<u>3,324,991</u>	<u>3,324,991</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,976,422</u>	<u>\$ 2,862,522</u>	<u>\$ 3,238,323</u>	<u>\$ 375,801</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 6 CAPITAL PROJECTS FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 1,123	\$ 1,123
Total Revenues	<u>-</u>	<u>-</u>	<u>1,123</u>	<u>1,123</u>
EXPENDITURES				
Current:				
Conservation and development	-	94,452	97,713	(3,261)
Capital outlay	-	3,466,608	275,306	3,191,302
Debt Service				
Debt issuance costs	<u>-</u>	<u>42,700</u>	<u>92,426</u>	<u>(49,726)</u>
Total Expenditures	<u>-</u>	<u>3,603,760</u>	<u>465,445</u>	<u>3,138,315</u>
Excess of revenues over expenditures	<u>-</u>	<u>(3,603,760)</u>	<u>(464,322)</u>	<u>3,139,438</u>
OTHER FINANCING SOURCES				
Issuance of general obligation notes	-	5,155,678	5,405,000	249,322
Premium on long-term debt	<u>-</u>	<u>-</u>	<u>262,185</u>	<u>262,185</u>
Total Other Financing Sources	<u>-</u>	<u>5,155,678</u>	<u>5,667,185</u>	<u>511,507</u>
Net Change in Fund Balance	-	1,551,918	5,202,863	3,650,945
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,551,918</u>	<u>\$ 5,202,863</u>	<u>\$ 3,650,945</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2014

	Special Revenue Funds				
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund	Senior Van Replacement Fund
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 19,393
Receivables					
Accrued interest	-	-	-	-	51
Restricted Assets					
Cash and investments	45,429	36,505	26,460	108,750	-
Interest	<u>78</u>	<u>50</u>	<u>43</u>	<u>141</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 45,507</u>	<u>\$ 36,555</u>	<u>\$ 26,503</u>	<u>\$ 108,891</u>	<u>\$ 19,444</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	45,507	36,555	26,503	108,891	-
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,444</u>
Total Fund Balances	<u>45,507</u>	<u>36,555</u>	<u>26,503</u>	<u>108,891</u>	<u>19,444</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 45,507</u>	<u>\$ 36,555</u>	<u>\$ 26,503</u>	<u>\$ 108,891</u>	<u>\$ 19,444</u>

Special Revenue Funds

Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	Total Nonmajor Governmental Funds
\$ 20,560	\$ 42,488	\$ 343	\$ 111,130	\$ 58,526	\$ 252,440
24	96	2	-	89	262
-	-	-	-	-	217,144
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312</u>
<u>\$ 20,584</u>	<u>\$ 42,584</u>	<u>\$ 345</u>	<u>\$ 111,130</u>	<u>\$ 58,615</u>	<u>\$ 470,158</u>
<u>\$ 198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 295</u>
<u>198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97</u>	<u>295</u>
-	-	-	111,130	-	328,586
<u>20,386</u>	<u>42,584</u>	<u>345</u>	<u>-</u>	<u>58,518</u>	<u>141,277</u>
<u>20,386</u>	<u>42,584</u>	<u>345</u>	<u>111,130</u>	<u>58,518</u>	<u>469,863</u>
<u>\$ 20,584</u>	<u>\$ 42,584</u>	<u>\$ 345</u>	<u>\$ 111,130</u>	<u>\$ 58,615</u>	<u>\$ 470,158</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue Funds				
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund	Senior Van Replacement Fund
REVENUES					
Public charges for services	\$ 16,914	\$ 27,453	\$ 18,546	\$ 48,576	\$ 2,075
Investment income	329	262	213	703	178
Miscellaneous	-	-	-	-	-
Total Revenues	17,243	27,715	18,759	49,279	2,253
EXPENDITURES					
Current					
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	17,243	27,715	18,759	49,279	2,253
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(11,000)	(11,000)	-	-
Total Other Financing Sources (Uses)	-	(11,000)	(11,000)	-	-
Net Change in Fund Balances	17,243	16,715	7,759	49,279	2,253
FUND BALANCES - Beginning of Year	28,264	19,840	18,744	59,612	17,191
FUND BALANCES - END OF YEAR	\$ 45,507	\$ 36,555	\$ 26,503	\$ 108,891	\$ 19,444

Special Revenue Funds

<u>Police Asset Forfeiture Fund</u>	<u>Police Canine Fund</u>	<u>Historic Preservation Fund</u>	<u>Library Fund</u>	<u>Facility Fees Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 34,794	\$ 148,358
68	371	4	120	399	2,647
<u>14,936</u>	<u>10,414</u>	<u>400</u>	<u>5,129</u>	<u>-</u>	<u>30,879</u>
<u>15,004</u>	<u>10,785</u>	<u>404</u>	<u>5,249</u>	<u>35,193</u>	<u>181,884</u>
3,027	1,205	-	-	-	4,232
-	-	303	158	12,221	12,682
<u>-</u>	<u>-</u>	<u>-</u>	<u>32,364</u>	<u>-</u>	<u>32,364</u>
<u>3,027</u>	<u>1,205</u>	<u>303</u>	<u>32,522</u>	<u>12,221</u>	<u>49,278</u>
<u>11,977</u>	<u>9,580</u>	<u>101</u>	<u>(27,273)</u>	<u>22,972</u>	<u>132,606</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>
11,977	9,580	101	(27,273)	22,972	110,606
<u>8,409</u>	<u>33,004</u>	<u>244</u>	<u>138,403</u>	<u>35,546</u>	<u>359,257</u>
<u>\$ 20,386</u>	<u>\$ 42,584</u>	<u>\$ 345</u>	<u>\$ 111,130</u>	<u>\$ 58,518</u>	<u>\$ 469,863</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE IMPACT FEE FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 1,480	\$ 1,480	\$ 16,914	\$ 15,434
Investment income	110	110	329	219
Total Revenues	<u>1,590</u>	<u>1,590</u>	<u>17,243</u>	<u>15,653</u>
Net Change in Fund Balance	1,590	1,590	17,243	15,653
FUND BALANCE - Beginning of Year	<u>28,264</u>	<u>28,264</u>	<u>28,264</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 29,854</u>	<u>\$ 29,854</u>	<u>\$ 45,507</u>	<u>\$ 15,653</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FIRE IMPACT FEE FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 1,710	\$ 1,710	\$ 27,453	\$ 25,743
Investment income	90	90	262	172
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>27,715</u>	<u>25,915</u>
OTHER FINANCING USES				
Transfers out	<u>(11,000)</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
Net Change in Fund Balance	(9,200)	(9,200)	16,715	25,915
FUND BALANCE - Beginning of Year	<u>19,840</u>	<u>19,840</u>	<u>19,840</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,640</u>	<u>\$ 10,640</u>	<u>\$ 36,555</u>	<u>\$ 25,915</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY IMPACT FEE FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 2,810	\$ 2,810	\$ 18,546	\$ 15,736
Investment income	60	60	213	153
Total Revenues	<u>2,870</u>	<u>2,870</u>	<u>18,759</u>	<u>15,889</u>
OTHER FINANCING USES				
Transfers out	<u>(11,000)</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
Net Change in Fund Balance	(8,130)	(8,130)	7,759	15,889
FUND BALANCE - Beginning of Year	<u>18,744</u>	<u>18,744</u>	<u>18,744</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,614</u>	<u>\$ 10,614</u>	<u>\$ 26,503</u>	<u>\$ 15,889</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PARK AND RECREATION IMPACT FEE FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 7,360	\$ 7,360	\$ 48,576	\$ 41,216
Investment income	150	150	703	553
Total Revenues	<u>7,510</u>	<u>7,510</u>	<u>49,279</u>	<u>41,769</u>
Net Change in Fund Balance	7,510	7,510	49,279	41,769
FUND BALANCE - Beginning of Year	<u>59,612</u>	<u>59,612</u>	<u>59,612</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 67,122</u>	<u>\$ 67,122</u>	<u>\$ 108,891</u>	<u>\$ 41,769</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SENIOR VAN REPLACEMENT FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 2,600	\$ 2,600	\$ 2,075	\$ (525)
Investment income	100	100	178	78
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>2,253</u>	<u>(447)</u>
Net Change in Fund Balance	2,700	2,700	2,253	(447)
FUND BALANCE - Beginning of Year	<u>17,191</u>	<u>17,191</u>	<u>17,191</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,891</u>	<u>\$ 19,891</u>	<u>\$ 19,444</u>	<u>\$ (447)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE ASSET FORFEITURE FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 50	\$ 50	\$ 68	\$ 18
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>14,936</u>	<u>11,936</u>
Total Revenues	<u>3,050</u>	<u>3,050</u>	<u>15,004</u>	<u>11,954</u>
EXPENDITURES				
Public safety	<u>4,000</u>	<u>4,000</u>	<u>3,027</u>	<u>973</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,027</u>	<u>973</u>
Net Change in Fund Balance	(950)	(950)	11,977	12,927
FUND BALANCE - Beginning of Year	<u>8,409</u>	<u>8,409</u>	<u>8,409</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,459</u>	<u>\$ 7,459</u>	<u>\$ 20,386</u>	<u>\$ 12,927</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE CANINE FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 120	\$ 120	\$ 371	\$ 251
Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>10,414</u>	<u>3,414</u>
Total Revenues	<u>7,120</u>	<u>7,120</u>	<u>10,785</u>	<u>3,665</u>
EXPENDITURES				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>1,205</u>	<u>3,795</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,205</u>	<u>3,795</u>
Net Change in Fund Balance	2,120	2,120	9,580	7,460
FUND BALANCE - Beginning of Year	<u>33,004</u>	<u>33,004</u>	<u>33,004</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 35,124</u>	<u>\$ 35,124</u>	<u>\$ 42,584</u>	<u>\$ 7,460</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 4	\$ 4
Miscellaneous	400	400	400	-
Total Revenues	<u>400</u>	<u>400</u>	<u>404</u>	<u>4</u>
EXPENDITURES				
Culture and recreation	400	400	303	97
Total Expenditures	<u>400</u>	<u>400</u>	<u>303</u>	<u>97</u>
Net Change in Fund Balance	-	-	101	101
FUND BALANCE - Beginning of Year	<u>244</u>	<u>244</u>	<u>244</u>	-
FUND BALANCE - END OF YEAR	<u><u>\$ 244</u></u>	<u><u>\$ 244</u></u>	<u><u>\$ 345</u></u>	<u><u>\$ 101</u></u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 280	\$ 280	\$ 120	\$ (160)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>5,129</u>	<u>129</u>
Total Revenues	<u>5,280</u>	<u>5,280</u>	<u>5,249</u>	<u>(31)</u>
EXPENDITURES				
Current:				
Culture and recreation	500	500	158	342
Capital outlay	<u>-</u>	<u>-</u>	<u>32,364</u>	<u>(32,364)</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>32,522</u>	<u>(32,022)</u>
Net Change in Fund Balance	4,780	4,780	(27,273)	(32,053)
FUND BALANCE - Beginning of Year	<u>138,403</u>	<u>138,403</u>	<u>138,403</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 143,183</u>	<u>\$ 143,183</u>	<u>\$ 111,130</u>	<u>\$ (32,053)</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FACILITY FEES FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 24,000	\$ 24,000	\$ 34,794	\$ 10,794
Investment income	100	100	399	299
Total Revenues	<u>24,100</u>	<u>24,100</u>	<u>35,193</u>	<u>11,093</u>
EXPENDITURES				
Culture and recreation	<u>19,000</u>	<u>19,000</u>	<u>12,221</u>	<u>6,779</u>
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>12,221</u>	<u>6,779</u>
Net Change in Fund Balance	5,100	5,100	22,972	17,872
FUND BALANCE - Beginning of Year	<u>35,546</u>	<u>35,546</u>	<u>35,546</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,646</u>	<u>\$ 40,646</u>	<u>\$ 58,518</u>	<u>\$ 17,872</u>

INTERNAL SERVICE FUNDS

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

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

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

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2014

	Health Insurance Fund	Dental Insurance Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets			
Cash and investments	\$ 848,748	\$ 35,624	\$ 884,372
Receivables			
Accounts	2,232	189	2,421
Interest	<u>718</u>	<u>194</u>	<u>912</u>
Total Assets	<u>851,698</u>	<u>36,007</u>	<u>887,705</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>249,750</u>	<u>8,081</u>	<u>257,831</u>
Total Current Liabilities	<u>249,750</u>	<u>8,081</u>	<u>257,831</u>
Total Liabilities	<u>249,750</u>	<u>8,081</u>	<u>257,831</u>
NET POSITION			
Unrestricted	<u>601,948</u>	<u>27,926</u>	<u>629,874</u>
TOTAL NET POSITION	<u>\$ 601,948</u>	<u>\$ 27,926</u>	<u>\$ 629,874</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2014

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Premiums	\$ 1,728,588	\$ 70,406	\$ 1,798,994
Total Operating Revenues	<u>1,728,588</u>	<u>70,406</u>	<u>1,798,994</u>
OPERATING EXPENSES			
General government	<u>1,646,371</u>	<u>100,572</u>	<u>1,746,943</u>
Total Operating Expenses	<u>1,646,371</u>	<u>100,572</u>	<u>1,746,943</u>
Operating Income (Loss)	<u>82,217</u>	<u>(30,166)</u>	<u>52,051</u>
NONOPERATING REVENUES			
Investment income	<u>4,920</u>	<u>530</u>	<u>5,450</u>
Total Nonoperating Revenues	<u>4,920</u>	<u>530</u>	<u>5,450</u>
Change in net position	87,137	(29,636)	57,501
NET POSITION - Beginning of Year	<u>514,811</u>	<u>57,562</u>	<u>572,373</u>
NET POSITION - END OF YEAR	<u>\$ 601,948</u>	<u>\$ 27,926</u>	<u>\$ 629,874</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2014

	Health Insurance Fund	Dental Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,727,813	\$ 70,296	\$ 1,798,109
Paid to suppliers for goods and services	<u>(1,413,320)</u>	<u>(100,565)</u>	<u>(1,513,885)</u>
Net Cash Flows From Operating Activities	<u>314,493</u>	<u>(30,269)</u>	<u>284,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>4,158</u>	<u>541</u>	<u>4,699</u>
Net Cash Flows From Investing Activities	<u>4,158</u>	<u>541</u>	<u>4,699</u>
Net Change in Cash and Cash Equivalents	318,651	(29,728)	288,923
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>530,097</u>	<u>65,352</u>	<u>595,449</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 848,748</u>	<u>\$ 35,624</u>	<u>\$ 884,372</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 82,217	\$ (30,166)	\$ 52,051
Changes in assets and liabilities			
Accounts receivable	(775)	(110)	(885)
Accounts payable	<u>233,051</u>	<u>7</u>	<u>233,058</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 314,493</u>	<u>\$ (30,269)</u>	<u>\$ 284,224</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

FIDUCIARY FUND

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

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

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

VILLAGE OF GERMANTOWN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND For the Year Ended December 31, 2014

	Balance 1-1-14	Additions	Deductions	Balance 12-31-14
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 23,301,470	\$ 23,478,939	\$ 23,301,470	\$ 23,478,939
Taxes receivable	<u>9,014,513</u>	<u>7,036,889</u>	<u>9,014,513</u>	<u>7,036,889</u>
TOTAL ASSETS	<u>\$ 32,315,983</u>	<u>\$ 30,515,828</u>	<u>\$ 32,315,983</u>	<u>\$ 30,515,828</u>
Liabilities				
Accounts payable	\$ 316,216	\$ 313,744	\$ 316,216	\$ 313,744
Due to other governments	<u>31,999,767</u>	<u>30,202,084</u>	<u>31,999,767</u>	<u>30,202,084</u>
TOTAL LIABILITIES	<u>\$ 32,315,983</u>	<u>\$ 30,515,828</u>	<u>\$ 32,315,983</u>	<u>\$ 30,515,828</u>

Statistical Section

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

FINANCIAL TRENDS – Tables 1-4

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

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

REVENUE CAPACITY – Tables 5 - 13

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

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

DEBT CAPACITY – TABLES 14 - 18

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

- Schedule 14 – Ratio of Outstanding Debt
- Schedule 15 – Ratio of General Bonded Debt Outstanding
- Schedule 16 – Direct and Overlapping Governmental Activities Debt, as of December 31, 2011
- Schedule 17 – Legal Debt Margin
- Schedule 18 – Pledged, Revenue Coverage, Water Utility

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 19 - 20

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

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

OPERATING INFORMATION – TABLES 21 - 24

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

Schedule 21 – Full-time Equivalent Village Governmental Employees by Function/Program

Schedule 22 – Operating Indicators by Function/Program

Schedule 23 – Capital Asset Statistics

Schedule 24 -- Building Permits

Sources: Unless otherwise noted, the information noted in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB 34 in 2003, Infrastructure reporting prior to 2003 was completed in 2007.

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

Table 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in Capital Assets	15,215,878	18,315,569	59,170,101	60,629,681	60,703,733	60,262,007	59,220,933	60,028,464	59,389,835	58,828,409
Restricted	416,490	418,460	274,575	270,559	197,242	206,743	4,503,846	5,969,086	6,064,600	10,384,891
Unrestricted (deficit)	<u>(11,561,493)</u>	<u>(10,645,920)</u>	<u>(6,989,638)</u>	<u>(6,601,150)</u>	<u>(5,002,450)</u>	<u>(2,677,990)</u>	<u>(3,764,048)</u>	<u>(3,104,646)</u>	<u>(1,654,758)</u>	<u>(4,827,536)</u>
Total governmental activities net position	<u>4,070,875</u>	<u>8,088,109</u>	<u>52,455,038</u>	<u>54,299,090</u>	<u>55,898,525</u>	<u>57,790,760</u>	<u>59,960,731</u>	<u>62,892,904</u>	<u>63,799,677</u>	<u>64,385,764</u>
Business-type activities										
Net Investment in Capital Assets	55,106,212	57,294,509	57,837,003	59,454,979	60,229,375	59,584,183	59,199,387	58,229,635	57,104,949	57,657,469
Restricted	331,934	912,566	980,003	791,539	809,221	686,986	624,121	625,311	639,877	683,237
Unrestricted	<u>10,326,150</u>	<u>8,755,011</u>	<u>8,538,585</u>	<u>6,928,221</u>	<u>5,616,294</u>	<u>5,317,582</u>	<u>5,390,007</u>	<u>6,676,728</u>	<u>8,005,572</u>	<u>8,284,532</u>
Total business-type activities net position	<u>65,764,296</u>	<u>66,962,086</u>	<u>67,355,591</u>	<u>67,174,739</u>	<u>66,654,890</u>	<u>65,588,751</u>	<u>65,213,515</u>	<u>65,531,674</u>	<u>65,750,398</u>	<u>66,625,238</u>
Primary Government										
Net Investment in Capital Assets	70,322,090	75,610,078	115,535,791	120,084,660	119,825,570	118,990,035	117,692,446	117,942,715	116,394,112	116,205,203
Restricted	748,424	1,331,026	1,254,578	1,062,098	1,006,463	893,729	5,127,967	6,594,397	6,704,480	11,068,128
Unrestricted	<u>(1,235,343)</u>	<u>(1,890,909)</u>	<u>3,020,260</u>	<u>327,071</u>	<u>1,721,382</u>	<u>3,495,747</u>	<u>2,353,833</u>	<u>3,887,466</u>	<u>6,451,486</u>	<u>3,737,671</u>
Total primary government net position	<u>69,835,171</u>	<u>75,050,195</u>	<u>119,810,629</u>	<u>121,473,829</u>	<u>122,553,415</u>	<u>123,379,511</u>	<u>125,174,246</u>	<u>128,424,578</u>	<u>129,550,078</u>	<u>131,011,002</u>

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

Table 2

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government	1,515,389	1,578,821	1,586,703	2,442,247	1,971,196	1,699,476	1,716,352	1,740,499	1,653,929	1,723,573
Public safety	6,172,911	6,471,625	6,681,154	7,019,248	6,614,304	6,990,716	7,018,081	6,819,595	7,279,873	7,373,151
Public works	3,135,136	2,955,348	4,845,105	4,915,205	4,656,839	4,910,645	5,419,423	5,801,748	5,726,927	5,287,992
Culture and recreation	1,895,082	1,945,603	2,301,880	2,498,668	2,359,466	2,433,334	2,505,974	2,564,589	2,622,495	2,905,723
Conservation and development	274,927	341,906	414,328	689,757	343,793	308,014	269,046	254,211	757,450	2,090,544
Interest & Fiscal charges	1,710,309	1,737,875	1,515,214	1,512,404	1,392,104	1,235,140	1,113,907	941,011	1,013,868	751,307
Total governmental activities expense	14,703,754	15,031,178	17,344,384	19,077,529	17,337,702	17,577,325	18,042,783	18,121,653	19,054,542	20,132,290
Business-type activities										
Water	1,720,514	2,060,422	1,695,380	2,024,793	1,604,727	1,814,474	1,846,078	1,967,345	1,972,682	2,092,364
Wastewater	4,498,540	4,550,535	4,652,053	5,014,472	4,796,423	5,016,187	5,202,166	5,488,406	5,533,202	5,571,720
Total business-type activities expenses	6,219,054	6,610,957	6,347,433	7,039,265	6,401,150	6,830,661	7,048,244	7,455,751	7,505,884	7,664,084
Total primary government expenses	20,922,808	21,642,135	23,691,817	26,116,794	23,738,852	24,407,986	25,091,027	25,577,404	26,560,426	27,796,374
Program Revenues										
Governmental activities										
Charges for Services										
General government	211,804	233,533	204,502	263,333	265,483	279,204	266,974	310,657	312,260	305,520
Public safety	928,391	758,944	786,486	877,071	719,415	731,949	828,539	960,015	1,052,083	1,158,225
Public works	176,806	207,661	286,385	249,199	190,342	166,902	242,763	252,638	271,587	271,855
Culture and recreation	351,716	391,106	550,741	787,828	839,153	926,718	887,803	923,857	939,005	1,001,646
Conservation and development	19,145	10,788	16,619	14,638	8,562	7,973	8,487	14,578	13,808	14,861
Operating grants and contributions	1,542,257	1,562,009	1,406,230	1,463,307	1,430,906	1,466,068	1,590,826	1,427,396	1,458,894	1,466,066
Capital grants and contributions	811,953	2,283,484	262,821	2,468,296	617,381	370,030	65,370	536,093	86,063	111,489
Total governmental activities program revenues	4,042,072	5,447,525	3,513,784	6,123,672	4,071,242	3,948,844	3,890,762	4,425,234	4,133,700	4,329,662
Business-type activities										
Charges for services:										
Water and Wastewater	5,088,748	5,111,457	5,293,989	5,306,858	5,353,302	5,806,478	6,612,628	7,958,180	8,181,716	8,097,648
Capital Grants and contributions	1,777,058	1,840,802	1,429,684	1,721,377	956,876	432,757	579,958	381,262	118,335	928,330
Total business-type activities program revenues	6,865,806	6,952,259	6,723,673	7,028,235	6,310,178	6,239,235	7,192,586	8,339,442	8,300,051	9,025,978
Total primary government program revenues	10,907,878	12,399,784	10,237,457	13,151,907	10,381,420	10,188,079	11,083,348	12,764,676	12,433,751	13,355,640
Net (Expense) Revenue										
Governmental Activities	(10,661,682)	(9,583,653)	(13,830,600)	(12,953,857)	(13,266,460)	(13,628,481)	(14,152,021)	(13,696,419)	(14,920,842)	(15,802,628)
Business-type Activities	646,752	341,302	376,240	(11,030)	(90,972)	(591,426)	144,342	883,691	794,167	1,361,894
Total Primary government net expense	(10,014,930)	(9,242,351)	(13,454,360)	(12,964,887)	(13,357,432)	(14,219,907)	(14,007,679)	(12,812,728)	(14,126,675)	(14,440,734)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	10,964,398	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302	13,716,374	13,844,967	12,906,557
Intergovernmental revenues	815,600	764,356	745,847	721,801	1,006,788	987,881	971,494	1,027,432	1,001,520	946,067
Investment income	420,016	744,941	780,428	515,428	143,110	111,559	151,222	126,365	65,225	135,166
Other	535,523	313,916	549,603	701,768	355,390	399,508	893,020	1,178,751	341,198	1,871,679
Total Government Activities	12,735,537	13,162,791	14,045,665	14,351,150	14,381,460	14,987,069	15,773,038	16,048,922	15,252,910	15,859,469
Business-type Activities:										
Investment Income (Loss)	313,104	477,402	439,874	276,937	55,558	58,934	29,376	14,138	(738)	42,192
Other	-	7,194	4,246	-	-	-	-	-	-	-
Total Business-type Activities	313,104	484,596	444,120	276,937	55,558	58,934	29,376	14,138	(738)	42,192
Total Primary Government	13,048,641	13,647,387	14,489,785	14,628,087	14,437,018	15,046,003	15,802,414	16,063,060	15,252,172	15,901,661
Change in Net Position										
Governmental Activities	2,073,855	3,579,138	641,920	1,844,052	1,599,435	1,892,235	2,169,971	2,932,173	906,773	586,087
Business-type Activities	959,856	825,898	393,505	(180,852)	(519,849)	(1,066,139)	(375,236)	318,159	218,724	874,840
Total Primary Government	3,033,711	4,405,036	1,035,425	1,663,200	1,079,586	826,096	1,794,735	3,250,332	1,125,497	1,460,927

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

Table 3

	<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>2014</u>
General Fund										
Reserved for:										
Non-current receivables	31,385	72,297	53,389	78,841	88,735	99,505	-	-	-	-
Payment in lieu of taxes	420,615	397,051	426,855	446,759	484,435	533,647	-	-	-	-
Designated for carryovers	-	-	-	-	-	91,263	-	-	-	-
Undesignated	1,499,601	1,351,728	1,274,521	919,250	1,277,719	1,817,020	-	-	-	-
Nonspendable	-	-	-	-	-	-	65,937	54,782	67,183	149,592
Assigned - payment in lieu of taxes	-	-	-	-	-	-	548,954	579,670	574,705	529,246
Assigned - carryovers	-	-	-	-	-	-	254,097	328,036	202,503	256,975
Unassigned	-	-	-	-	-	-	<u>2,385,601</u>	<u>2,993,040</u>	<u>3,271,462</u>	<u>3,333,679</u>
Total general fund	<u>1,951,601</u>	<u>1,821,076</u>	<u>1,754,765</u>	<u>1,444,850</u>	<u>1,850,889</u>	<u>2,541,435</u>	<u>3,254,589</u>	<u>3,955,528</u>	<u>4,115,853</u>	<u>4,269,492</u>
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	270,456	96,166	91,956	(160,612)	40,002	233,960	-	-	-	-
Impact fees	318,562	317,792	170,204	164,883	89,031	97,765	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Subsequent year's budget	61,327	71,988	-	-	-	-	-	-	-	-
Special revenue funds	128,475	131,510	156,964	141,272	144,210	144,403	-	-	-	-
Capital projects funds	7,976,433	8,983,241	10,721,714	6,328,402	5,271,241	5,087,893	-	-	-	-
Nonspendable	-	-	-	-	-	-	613,074	-	-	770,061
Restricted	-	-	-	-	-	-	5,357,194	7,022,469	6,424,392	10,809,624
Committed	-	-	-	-	-	-	51,544	61,986	94,394	141,277
Assigned	-	-	-	-	-	-	<u>1,079,892</u>	<u>795,282</u>	<u>1,023,168</u>	<u>1,252,639</u>
Total all other governmental funds	<u>8,755,253</u>	<u>9,600,697</u>	<u>11,140,838</u>	<u>6,473,945</u>	<u>5,544,484</u>	<u>5,564,021</u>	<u>7,101,704</u>	<u>7,879,737</u>	<u>7,541,954</u>	<u>12,973,601</u>
Total fund balance, governmental funds	<u>10,706,854</u>	<u>11,421,773</u>	<u>12,895,603</u>	<u>7,918,795</u>	<u>7,395,373</u>	<u>8,105,456</u>	<u>10,356,293</u>	<u>11,835,265</u>	<u>11,657,807</u>	<u>17,243,093</u>

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

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

Table 4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	10,964,398	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302	13,716,374	13,846,626	12,868,874
Special Assessments	58,423	42,981	41,197	360,183	314,115	263,451	284,381	288,768	309,302	339,950
Intergovernmental	2,452,568	2,241,776	2,066,985	2,130,360	2,392,593	2,607,078	2,535,027	2,415,344	2,436,164	2,364,696
Regulation and compliance	942,782	815,177	879,076	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161	1,174,161
Public charges for services	1,060,822	839,198	1,015,107	1,189,955	1,206,923	1,285,042	1,334,581	1,484,777	1,627,811	1,691,512
Interdepartmental charges	55,527	47,879	47,507	49,819	61,995	53,000	95,000	-	-	-
Interest income	417,500	738,942	768,997	508,194	148,150	106,457	148,577	125,851	63,566	133,479
Miscellaneous	660,073	199,944	318,030	230,299	244,627	249,299	886,517	2,007,897	200,216	2,059,497
Total Revenues	16,612,093	16,265,475	17,106,686	17,882,294	18,052,996	18,865,891	19,955,021	21,058,900	19,516,846	20,632,169
Expenditures										
General Government	1,312,717	1,362,802	1,394,515	1,720,719	1,406,082	1,379,302	1,379,656	1,400,870	1,339,722	1,411,749
Public Safety	5,507,188	5,746,110	6,098,318	6,255,463	6,234,761	6,300,325	6,348,425	6,307,225	6,778,485	6,878,681
Public Works	2,668,468	2,661,380	2,869,919	3,185,020	2,895,063	3,019,435	3,449,314	3,357,717	3,506,966	3,542,386
Culture and recreation	1,780,942	1,732,756	1,947,208	2,155,065	2,142,035	2,198,980	2,267,406	2,279,802	2,357,270	2,409,242
Conservation and development	195,938	259,997	208,872	234,035	222,248	207,684	199,172	187,562	692,834	452,337
Capital Outlay	1,092,334	1,464,489	2,696,907	5,782,571	2,140,462	2,124,425	1,768,244	3,799,649	2,932,305	4,328,230
Debt Service										
Principal retirement	3,160,000	3,902,919	4,043,705	4,391,009	8,056,367	4,087,338	4,001,301	4,989,891	3,808,657	5,477,985
Interest and fiscal charges	1,580,597	1,484,269	1,465,533	1,435,035	1,348,891	1,056,393	1,079,467	930,029	722,234	617,882
Debt issuance costs	75,054	37,625	83,873	5,384	50,656	100,434	44,039	80,370	35,536	147,838
Total Expenditures	17,373,238	18,652,347	20,808,850	25,164,301	24,496,565	20,474,316	20,537,024	23,333,115	22,174,009	25,266,330
Excess (Deficiency) of Revenues										
Over Expenditures	(761,145)	(2,386,872)	(3,702,164)	(7,282,007)	(6,443,569)	(1,608,425)	(582,003)	(2,274,215)	(2,657,163)	(4,634,161)
Other Financing Sources (Uses):										
Proceeds from the sale of land	-	103,990	334,080	363,940	-	-	-	-	-	-
Proceeds of Capital Leases	-	-	-	-	-	-	-	-	-	151,380
Long-term debt issued	445,000	2,520,000	4,410,000	1,480,000	1,695,172	1,795,000	2,200,000	2,370,000	1,905,000	8,050,000
Refunding debt issues	5,505,000	-	-	-	3,740,000	3,905,000	-	3,890,000	-	1,065,000
Premium on long-term debt	57,148	39,705	5,059	-	-	3,740	83,886	-	-	423,821
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	(5,582,774)	-	-	-	-	(3,918,339)	-	(3,086,483)	-	-
Transfers In	4,329,073	5,481,301	4,203,589	4,289,162	4,278,973	4,810,633	4,944,003	4,957,030	5,874,391	2,634,962
Transfers Out	(3,908,458)	(5,043,205)	(3,776,734)	(3,827,903)	(3,794,538)	(4,276,986)	(4,395,049)	(4,377,360)	(5,299,686)	(2,105,716)
Total Other Financing Sources (Uses)	844,989	3,101,791	5,175,994	2,305,199	5,919,607	2,319,048	2,832,840	3,753,187	2,479,705	10,219,447
Net Change in Fund Balances	83,844	714,919	1,473,830	(4,976,808)	(523,962)	710,623	2,250,837	1,478,972	(177,458)	5,585,286
Debt Service as a percentage of noncapital expenditures ⁽¹⁾	28.33%	30.63%	28.77%	28.64%	41.56%	27.71%	26.76%	29.27%	23.02%	26.71%

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

⁽¹⁾ Amount of capital outlay that was not capitalized in 2014 - \$1,881,034

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

Table 5

Fiscal Year Ended Dec 31.	Real Property		Personal Property		Total		Village Total Direct Tax Rate	Ratio of Assessed to Equalized
	Assessed	Equalized Value	Assessed	Equalized Value	Assessed	Equalized Value		
2005	1,659,017,100	2,006,309,227	41,912,270	50,741,673	1,700,929,370	2,057,050,900	0.540	82.69%
2006	1,700,675,800	2,165,532,100	39,896,774	51,436,300	1,740,572,574	2,216,968,400	0.565	78.51%
2007	1,751,057,400	2,300,461,600	44,217,733	56,937,300	1,795,275,133	2,357,398,900	0.574	76.15%
2008	2,332,772,100	2,364,052,785	59,876,656	60,679,556	2,392,648,756	2,424,732,341	0.449	98.68%
2009	2,371,176,000	2,383,612,200	60,983,950	61,526,000	2,432,159,950	2,445,138,200	0.458	99.47%
2010	2,358,535,000	2,319,246,300	58,963,483	59,121,100	2,417,498,483	2,378,367,400	0.461	101.65%
2011	2,355,846,200	2,295,471,300	55,989,303	54,905,600	2,411,835,503	2,350,376,900	0.466	102.61%
2012	2,367,827,500	2,194,612,000	56,286,738	54,047,300	2,424,114,238	2,248,659,300	0.465	107.80%
2013	2,387,341,800	2,140,736,100	66,930,800	61,419,400	2,454,272,600	2,202,155,500	0.466	111.45%
2014	2,253,243,300	2,219,153,200	60,869,700	64,198,900	2,314,113,000	2,283,352,100	0.497	101.19%

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

The State determines assessed valuation of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors. New and improved residential and commercial property located within the Village are assessed annually by the local assessor. At hearings held each year a taxpayer may appeal the assessments of his property to the Board of Review of the local municipality.

The Board of Review consists of local assessors, local officials, and citizen appointees. The assessors do not have a vote on final determinations.

The State's full value law mandates that all assessable property in the State be valued by 100% of market value. Statutes, case law, and administrative rules require that each major class of property (except agricultural property) be kept within 10% of that full value at least once in the past four years.

Village wide revaluations are then undertaken

Village of Germantown, Wisconsin

Table 6

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

Fiscal Year Ended Dec 31.	Village Direct Rates			Total Tax Rate	Germantown School District	Overlapping Rates			Total Tax Levy
	Basic	Debt Service	Capital Projects			Washington County	Milwaukee Area Technical College	State of Wisconsin	
2005	4.28	1.12	0.00	5.40	11.92	3.71	2.28	0.23	23.54
2006	4.44	1.21	0.00	5.65	11.38	3.68	2.25	0.22	23.19
2007	4.60	1.14	0.00	5.74	11.42	3.69	2.33	0.22	23.40
2008	3.54	0.95	0.00	4.49	9.09	2.75	1.86	0.17	18.36
2009	3.73	0.85	0.00	4.58	9.64	2.79	1.92	0.17	19.10
2010	3.87	0.74	0.00	4.61	10.12	2.81	1.89	0.17	19.60
2011	3.86	0.80	0.00	4.66	9.87	2.78	1.90	0.17	19.38
2012	3.83	0.82	0.00	4.65	9.56	2.67	1.96	0.16	19.01
2013	3.77	0.89	0.00	4.66	8.83	2.57	1.91	0.15	18.12
2014	3.99	0.98	0.00	4.97	9.37	2.66	1.25	0.17	18.42

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

Village of Germantown, Wisconsin

*Full Value Rates for Property Taxes expressed in dollars per \$1,000 of equalized value (excluding TIF)
Last Seven Fiscal Years*

Year Levied Tax Collected	Local	1 Schools	County	2 Other	3 Total Full Value Effective Rate
2008/09	4.42	10.80	2.71	1.23	16.57
2009/10	4.55	11.50	2.78	1.35	17.52
2010/11	4.69	12.20	2.86	1.50	18.41
2011/12	4.79	12.07	2.86	1.45	18.35
2012/13	5.02	12.43	2.88	1.57	18.88
2013/14	5.19	11.97	2.86	0.84	19.19
2014/15	5.04	10.77	2.69	0.74	17.67

- 1 The Schools tax rate reflects the composite rate of all local school districts and the technical college districts
- 2 Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes any tax increment and taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts.
- 3 Property tax less state property tax credit (not including lottery credit).

Village of Germantown, Wisconsin

Table 7

Principal Property Tax Payers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Estimated Equalized Value¹</u>	<u>2014</u>	<u>Taxable Equalized Value</u>	<u>2005</u>
		<u>Percentage Village's Total Equalized Value</u>		<u>Percentage Village's Total Equalized Value</u>
The Gables of Germantown LLC	20,237,700	0.89%		
Meridian Germantown LLC	16,346,600	0.72%		
Cambridge Major Laboratories	15,396,000	0.67%	9,683,400	0.47%
Sentinel Germantown	14,858,000	0.65%		
Gehls Guernsey Farms	13,234,000	0.58%		
Waste Management	12,764,500	0.56%		
Phylmack LLC	12,830,100	0.56%		
Stonehedge Properties	11,625,000	0.51%	14,259,300	0.69%
Heather Lake LLC	10,600,000	0.46%		
Moldmakers LSG	9,221,600	0.40%	11,876,600	0.58%
Germantown Market Place			9,220,000	0.45%
Menard's			13,844,800	0.67%
Germantown LLC			10,041,000	0.49%
Brick Kiln LLC			11,926,000	0.58%
Mills Investments Fleet Farm			7,885,800	0.38%
Fountain Square			7,629,200	0.37%
Compass Properties			11,932,300	0.58%
Total	\$137,113,500	6.00%	\$108,298,400	5.26%

Source:

*Village of Germantown Finance Department, Assessors Department and Village records
¹ Estimated by dividing the assessed caules by the ratio of assessed to equalized value for the Village
 Final Official Statements April 15, 2006 & February 20, 2015*

a) Total Equalized Value January 1, 2014 = \$ 2,283,352,100
 b) Total Equalized Value January 1, 2005 = \$ 2,057,050,900

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

Table 8

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy ¹		Collection in Subsequent Years ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	38,185,824	29,673,630	77.71%	10,204	38,175,620	99.97%
2005	39,291,496	30,541,604	77.73%	19,891	39,271,605	99.95%
2006	40,037,157	30,842,279	77.03%	16,941	40,020,216	99.96%
2007	40,367,810	30,653,899	75.94%	16,321	40,351,489	99.96%
2008	42,012,204	31,243,429	74.37%	19,891	41,992,313	99.95%
2009	46,443,430	34,109,304	73.44%	30,269	46,413,160	99.93%
2010	47,372,096	34,787,132	73.43%	19,965	47,352,132	99.96%
2011	47,124,290	35,643,828	75.64%	13,535	47,110,755	99.97%
2012	46,077,496	34,372,703	74.60%	37,383	46,040,113	99.92%
2013	44,480,179	33,599,277	75.54%	9,032	44,471,147	99.98%
2014	42,623,918	33,491,084	78.57%	**		

** Still in process

Source: Village Finance Department

Notes: Amounts collected include Village of Germantown and all other taxing bodies which make up the total levy.

¹ The amount shown is net of the State Tax Credit

² Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing authorities on or about August 20 of the collection year
 Personal Property is collected by municipality

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

Table 9

Function/Program	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
Water and Sewer										
Number of Water Customers	5,273	5,355	5,426	5,469	5,479	5,510	5,238	5255	5311	5359
Average Daily Water Consumption (gallons)	1,456,616	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,424,038	1,516,312	1,749,041	1,798,090
Number of Wastewater Customers	5,542	5,619	5,685	5,727	5,744	5,770	5,497	5511	5552	5603

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

Table 10

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
Number of customers										
Residential	4,468	4,537	4,595	4,628	4,636	4,663	4,670	4685	4727	4774
Res - Multi-Family*									107	107
Commercial	759	772	785	801	802	802	523	528	432	433
Industrial	27	27	27	21	21	21	21	22	22	22
Public	19	19	19	19	20	24	24	20	23	23
Total	5,273	5,355	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359
Gallons (thousands)										
Residential	332,797	312,186	312,443	306,127	301,575	281,134	281,405	314,016	278,289	264,880
Res - Multi-Family*									49,595	49,317
Commercial	48,562	147,232	167,068	168,601	177,733	170,811	180,989	176,460	119,599	106,747
Industrial	38,176	43,435	44,493	36,936	34,067	43,368	47,300	53,276	181,544	227,407
Public	11,016	8,910	10,248	10,774	11,231	9,928	10,080	9,702	9,373	7,952
Total	430,551	511,763	534,252	522,438	524,606	505,241	519,774	553,454	638,400	656,303

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

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

Table 11

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Metered Service					*	**			***	****
Quarterly Service Charge										
5/8 inch meter	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27
3/4 inch meter	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83	15.27
1 inch meter	\$22.50	\$22.50	\$22.50	\$22.50	\$23.18	\$24.00	24.00	24.00	24.72	25.46
1 1/4 inch meter	\$30.75	\$30.75	\$30.75	\$30.75	\$31.67	\$33.00	33.00	33.00	33.99	35.01
1 1/2 inch meter	\$39.00	\$39.00	\$39.00	\$39.00	\$40.17	\$42.00	42.00	42.00	43.26	44.56
2 inch meter	\$60.00	\$60.00	\$60.00	\$60.00	\$61.80	\$63.00	63.00	63.00	64.89	66.84
3 inch meter	\$99.00	\$99.00	\$99.00	\$99.00	\$101.97	\$105.00	105.00	105.00	108.15	111.39
4 inch meter	\$156.00	\$156.00	\$156.00	\$156.00	\$160.68	\$162.00	162.00	162.00	166.86	171.87
6 inch meter	\$288.00	\$288.00	\$288.00	\$288.00	\$296.64	\$300.00	300.00	300.00	309.00	318.24
8 inch meter	\$444.00	\$444.00	\$444.00	\$444.00	\$457.32	\$462.00	462.00	462.00	475.86	490.14
10 inch meter	\$648.00	\$648.00	\$648.00	\$648.00	\$667.44	\$675.00	675.00	675.00	695.25	716.11
12 inch meter	\$855.00	\$855.00	\$855.00	\$855.00	\$880.65	\$891.00	891.00	891.00	917.73	945.26
Volume rate (per 1,000 gallons)										
First 100,000 gallons	\$1.94	\$1.94	\$1.94	\$1.94	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22	\$2.29
Next 900,000 gallons	\$1.65	\$1.65	\$1.65	\$1.65	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91	\$1.97
Over 1,000,000 gallons	\$1.42	\$1.42	\$1.42	\$1.42	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62	\$1.67
Public Fire Protection										
Annual service charge to the Village of Germantown	\$489,825	\$491,824	\$491,824	\$491,824	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776	\$537,429
Private Fire Protection										
Quarterly Service Charge										
2 inch or smaller connection	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
3 inch connection	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
4 inch connection	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
6 inch connection	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00
8 inch connection	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00	\$220.00
10 inch connection	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
12 inch connection	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00

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

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

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

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

Source: Village of Germantown Utility Records

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

Table 12

	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
Number of customers										
Residential	4,227	4,294	4,348	4,380	4,389	4,412	4,419	4,432	4,473	4,519
Commercial	1,268	1,278	1,290	1,301	1,308	1,308	1,028	1,027	1,026	1,031
Industrial	27	27	27	26	27	29	29	31	32	32
Public	20	20	20	20	20	21	21	21	21	21
Total	5,542	5,619	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603
Gallons (thousands)										
Residential	347,552	297,732	297,855	291,335	296,805	266,797	268,106	298,742	263,821	251,582
Commercial	153,683	150,343	159,093	160,627	168,260	165,434	174,766	171,901	159,206	139,755
Industrial	129,021	132,347	144,392	138,293	117,070	142,091	160,703	194,685	216,399	189,970
Public	9,115	8,130	9,095	9,237	9,666	7,953	7,893	7,368	7,264	8,035
Total	639,371	588,552	610,435	599,492	591,801	582,275	611,468	672,696	646,690	589,342

Source: Village of Germantown Utility Records

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

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

Table 13

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Metered Service					*	**	***	****		*****
Quarterly Service Charge										
5/8 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01
3/4 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37	\$40.01
1 inch meter	\$37.00	\$37.00	\$37.00	\$37.00	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29	\$74.02
1 1/2 inch meter	\$51.00	\$51.00	\$51.00	\$51.00	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75	\$102.02
2 inch meter	\$66.00	\$66.00	\$66.00	\$66.00	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01	\$132.02
3 inch meter	\$101.00	\$101.00	\$101.00	\$101.00	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67	\$202.03
4 inch meter	\$181.00	\$181.00	\$181.00	\$181.00	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14	\$362.06
6 inch meter	\$296.00	\$296.00	\$296.00	\$296.00	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26	\$592.08
Volume rate (per 1,000 gallons)										
All Classes	\$4.32	\$4.32	\$4.32	\$4.32						
Residential Only					\$4.32	\$4.752	\$5.465	\$6.285	\$6.285	\$6.913
Commercial, Industrial, Public					\$5.40	\$5.940	\$6.831	\$7.856	\$7.856	\$8.641
General Unmetered Service										
Flat rate	\$96.68	\$96.68	\$96.68	\$96.68	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93	\$162.75
based on avg. usage (gal.)/qtr.	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750

* Rate Increase effective September 15, 2009

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

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

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

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

Source: Village of Germantown Utility Records

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

Table 14

Fiscal Year Ended December 31,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita Personal Income (thousands)
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Other Obligations	Water Utility Revenue Bonds	Water & Sewer Utility Notes			
2005	16,675,000	5,255,000	17,178,775	175,000	1,130,000	-	40,413,775	8.20%	\$1,543
2006	14,315,000	5,350,000	18,163,474	135,081	1,130,000	-	39,093,555	6.03%	\$1,185
2007	14,000,000	8,285,000	15,982,583	91,376	1,090,000	-	39,448,959	6.07%	\$1,195
2008	12,540,000	8,960,000	14,186,661	46,367	1,045,000	-	36,778,028	5.39%	\$1,060
2009	9,540,000	7,880,000	13,990,738	1,695,172	1,048,574	-	34,154,484	5.01%	\$984
2010	5,135,000	8,525,000	15,917,927	1,467,834	1,666,067	-	32,711,828	4.77%	\$943
2011	4,345,000	9,435,000	14,278,605	1,261,533	1,649,069	-	30,969,207	4.51%	\$893
2012	735,000	10,410,000	16,170,407	251,642	1,566,328	-	29,133,377	4.11%	\$814
2013	410,000	10,845,000	14,272,770	127,985	1,482,713	-	27,138,468	3.84%	\$760
2014	5,790,000	11,760,000	12,072,947	-	1,393,201	-	31,016,148	4.37%	\$870

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

Personal income data and population data can be found on Table 19

Village of Germantown, Wisconsin
*Ratio of General Bonded Debt Outstanding
 Last Ten Fiscal years*

Table 15

Fiscal Year Ended December 31,	General Bonded Debt Outstanding			Percentage of Long -Term Debt to Equalized Value	Equalized Valuation	Net Long-term Debt per Population	Population
	General Obligation Bonds	Refunding Bonds	Total				
2005	16,675,000	17,178,775	33,853,775	1.65%	2,057,050,900	1,764	19,189
2006	14,315,000	18,163,474	32,478,474	1.46%	2,216,968,400	1,656	19,607
2007	14,000,000	15,982,583	29,982,583	1.27%	2,357,398,900	1,526	19,650
2008	12,540,000	14,186,661	26,726,661	1.10%	2,424,848,300	1,360	19,650
2009	9,540,000	13,990,738	23,530,738	0.96%	2,445,138,200	1,197	19,650
2010	5,135,000	15,917,927	21,052,927	0.89%	2,378,367,400	1,066	19,749
2011	4,345,000	14,278,605	18,623,605	0.79%	2,350,376,900	942	19,772
2012	735,000	16,170,407	16,905,407	0.75%	2,248,659,300	854	19,803
2013	410,000	14,272,770	14,682,770	0.67%	2,202,155,500	741	19,811
2014	5,790,000	12,072,947	17,862,947	0.78%	2,283,352,100	898	19,891

*Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.
 Population 2014 as current 2010 census with estimation, 2005 - 2009 population figure is an estimate of 2000 census,
 2013 American Community Survey, US Census Bureau, February 20, 2015 Official Statement*

Village of Germantown, Wisconsin
Direct and Overlapping Governmental Activities Debt
As of December 31, 2014

Table 16

<u>Governmental Unit</u>	<u>2014 Equalized Value</u>	<u>Total G.O. Debt Outstanding</u>	<u>Village EV Percentage of District</u>	<u>Village Proportionate Share</u>
Milwaukee Area Technical College	71,833,122,277	111,620,000	3.1787% ¹	3,548,065
Germantown School District	3,046,605,582	5,737,000	74.9474%	4,299,732
Washington County	<u>12,983,825,900</u>	<u>15,235,000</u>	17.5861%	<u>2,679,242</u>
Subtotal, overlapping debt	87,863,553,759	132,592,000	0.46% ²	10,527,040
Village Direct Debt	2,283,352,100	<u>29,264,571</u>	100.000%	<u>29,264,571</u>
Village Debt to Equalized Value		161,856,571	1.28% ³	
Total Direct and overlapping debt				39,791,611
Debt Per Capita Village General Obligation Debt				1,471.25 ⁴
Debt Per Capita Village Share of Overlapping Debt				<u>529.24</u>
				2,000.48

Source: *Financial Officers of the overlapping School Districts and Counties, Official Statement dated April 11, 2014*

¹ Percentage of village equalized value to district equalized value.

² Percentage of village overlapping debt outstanding to village equalized value

³ Percentage of village outstanding debt to village equalized

⁴ Population 2014 estimate 19,891, debt per capita, February 20, 2015 Official Statement

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

Table 17

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal Debt Margin calculations for Fiscal Year 2014										
2014 Equalized Valuation										\$2,283,352,100
Debt Limit (5% of current equalized value)										\$114,167,605
Debt applicable to limit - General obligation bonds										
										\$29,245,000
Legal Debt margin										\$84,922,605
Statutory Debt Limit	\$102,852,545	\$110,848,420	\$117,869,945	\$121,242,415	\$122,256,910	\$118,918,370	\$117,518,845	\$112,432,965	\$110,107,775	\$114,167,605
Total Net Debt Applicable to limit	\$39,240,000	\$37,885,081	\$38,281,376	\$35,661,367	\$33,040,172	\$31,012,834	\$29,211,533	\$27,511,642	\$25,607,985	\$29,245,000
Unused Debt Limit	\$63,612,545	\$72,963,339	\$79,588,569	\$85,581,048	\$89,216,738	\$87,905,536	\$88,307,312	\$84,921,323	\$84,499,790	\$84,922,605
Total Net Debt Applicable to the limit as a percentage of debt limit	38.15%	34.18%	32.48%	29.41%	27.03%	26.08%	24.86%	24.47%	23.26%	25.62%

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

Table 18

Fiscal Year Ended December 31,	Utility Service Charge	Less Operating Expenses	Net Available Revenue	Water Revenue Bonds			Accreted Value	Coverage
				Debt Service		Total		
				Principal	Interest			
2005	1,997,810	1,262,660	735,150	-	-	-	\$ -	1.25
2006	2,111,350	1,520,113	591,237	-	65,246	65,246	\$ 81,558	1.25
2007	2,127,442	1,124,983	1,002,459	40,000	44,655	84,655	\$ 105,819	1.25
2008	2,118,557	1,466,180	652,377	45,000	43,415	88,415	\$ 110,519	1.25
2009	2,078,944	1,067,973	1,010,971	45,000	41,998	86,998	\$ 108,748	1.25
2010	2,043,895	1,080,606	963,289	45,000	52,104	97,104	\$ 121,380	1.25
2011	2,144,659	1,057,880	1,086,779	79,224	57,672	136,895	\$ 171,119	1.25
2012	2,260,951	1,172,581	1,088,370	82,741	56,356	139,098	\$ 173,872	1.25
2013	2,428,842	1,170,210	1,258,632	83,615	53,967	137,582	\$ 171,978	1.25
2014	2,560,579	1,293,026	1,267,553	89,512	51,259	140,771	\$ 175,964	1.25

Note: *Details regarding the village's outstanding debt can be found in the notes to the financial statements, F, Long Term Debt, Revenue Debt. Operating expenses do not include interest, depreciation or amortization expense*

Debt service is for the Water Utility Revenue Bonds Only, Sewer Utility is debt free

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

Table 19

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income (thousands of dollars)	Median Age	School Enrollment	Unemployment Rate
2005	19,189	\$493,042	\$25.694	39.5	3,775	4.00%
2006	19,607	\$648,678	\$33.084	39.5	3,862	4.10%
2007	19,650	\$650,101	\$33.084	39.5	3,902	4.10%
2008	19,650	\$681,757	\$34.695	39.5	3,939	4.30%
2009	19,650	\$681,757	\$34.695	39.5	3,985	8.60%
2010	19,749	\$685,192	\$34.695	41.7	4,013	8.20%
2011	19,772	\$686,049	\$34.698	41.7	4,013	6.10%
2012	19,803	\$708,571	\$35.781	40.2	4,013	6.40%
2013	19,811	\$707,055	\$35.690	41.4	3,976	5.10%
2014	19,891	\$709,512	\$35.670	41.9	3,931	4.30%

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

US Bureau of Economic Analysis

Wisconsin Department of Workforce Development, Office of Economic Advisors, per capita income

School Enrollment - Germantown School District, includes parts of Richfield and Hubertus, WI Dept of Public Instruction

Unemployment - Wisconsin Department of Workforce Development, Division of Workforce Excellence (Washington

County) Rates not compiled for individual communities with populations under 25,000, AVG Washington County

US Census Bureau, and 2013 American Community Survey

www.factfinder2.census.gov

Village of Germantown, Wisconsin

Table 20

Principal Employers

Current Year and Nine Years Ago

Employer	2014			2005		
	² Employees	Rank	Percentage of Total Village Population	¹ Employees	Rank	Percentage of Total Village Population
Germantown School District	435	4	2.19%	505	1	2.63%
Walmart Supercenter	230	9	1.16%			
David Frank Landscape	300	6	1.51%			
GKN Sintered Metals				400	2	2.08%
Village of Germantown	³ 328	5	1.65%			
Rock - Tenn (prev. Smurfit)				200	4	1.04%
J.W. Speaker Company				170	8	0.89%
Airgas Corporation				200	5	1.04%
Gehl's Guernsey Farms	225	10	1.13%			
Moldmakers	300	7	1.51%			
Pick n Save				150	10	0.78%
Statistical Plastics	300	8	1.51%			
International Food Solutions				160	9	0.83%
Techstar Mfg	500	3		300	3	1.56%
MGS Mfg	600	1		200	6	1.04%
Ellsworth Adhesives	501	2	2.52%	187	7	0.97%
Total	3,719		18.70%	2472		12.88%

4

4

Source:

¹ Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated April 15, 2006

² Taken from Final Official Statement for General Obligation Notes, Dated February 20, 2015
Reference USA, written and telephone survey (January 2015), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development

³ Includes full-time, part-time and seasonal employment

⁴ Village of Germantown 2010 US Census population 19,749 and a current estimated population of 19,891
Census 2000, demographic profile 18,260, estimate 2005 19,189

Village of Germantown, Wisconsin

Table 21

*Full-time Equivalent Village Government Employees by Function/Program
Last Ten Fiscal Years*

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	7.30	7.30	7.20	7.20	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety	59.35	59.35	59.35	59.35	57.35	57.35	57.35	57.35	57.35	57.35
Public Works	16.96	17.01	17.16	17.16	17.16	17.16	17.16	17.16	17.16	17.16
Culture & Recreation	20.62	20.62	22.12	24.12	23.12	23.12	23.12	23.12	23.50	23.50
Conservation & Development	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Water	8.10	8.10	8.10	8.10	7.30	7.30	7.30	7.30	7.30	7.30
Sewer	<u>7.84</u>	<u>7.84</u>	<u>7.84</u>	<u>7.84</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>
Total *	122.07	122.12	123.67	125.67	119.57	119.57	119.57	119.57	119.95	119.95
Total # of W2's	339	361	393	423	400	397	402	399	426	434

Source: Village of Germantown, * Total count equals regular full time and part time personnel, does not include seasonal, recreational or Paid on Call Fire & Rescue

Village of Germantown, Wisconsin
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 22

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Number of Sworn Officers	30	31	31	31	31	31	31	31	31	31
Number of Citations	2,537	2,441	2,122	2,539	2,453	2,823	2,682	3,207	3,150	2,539
Fire										
Number of Employees - Full Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Part Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Paid on Call	36	35	35	35	35	35	35	35	35	35
Public Works										
Street Surfacing (miles)	7.81	4.41	6.00	3.65	3.27	2.34	3.89	5.39	2.77	1.83
Asphalt Repairs (miles)	3.29	2.79	0.75	0.25	0.00	0.25	0.45	0.95	0.10	0.75
Culture & Recreation										
Parks										
Acreage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library										
Volumes in Collection	114,225	122,979	129,442	139,314	146,685	159,589	176,121	174,269	175,186	154,917 *
Water and Sewer										
Number of Water Customers	5,273	5,355	5,426	5,469	5,479	5,510	5,238	5,255	5,311	5,359
Average Daily Water Consumption (gallons)	1,456,616	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,425,405	1,516,312	1,749,041	1,798,090
Number of Sewer Customers	5,542	5,619	5,685	5,727	5,744	5,770	5,497	5,511	5,552	5,603

* 2014 Library Collections - removed more volumes than usual, back issues of magazine, video's, more than half of books on cassette

Village of Germantown, Wisconsin
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 23

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of Road (miles)	124.92	129.75	129.75	129.96	129.96	129.96	129.30	129.58	129.58	129.58
Sidewalks (miles)		18.00	19.00	19.45	19.45	19.66	19.76	19.76	20.38	20.38
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	6	6	6	7	7	7	7	7	7
Tennis Courts	13	13	13	13	13	13	13	13	13	13
Spraygrounds	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	85.08	86.95	88.20	88.20	88.55	88.38	88.99	89.152	89.074	89.599
Fire Hydrants	1,086	1,107	1,125	1,125	1,130	1,133	1,142	1,301	1,301	1,308
Sewer										
Sanitary Sewer (miles)	84.69	87.02	88.41	89.05	89.05	89.34	89.50	90.09	90.09	90.62

Source: Village of Germantown Department Directors and capital asset inventory records

2012 Fire Hydrant count increase due to the reconciliation of hydrants reported to the GIS System

Village of Germantown, Wisconsin
Building Permits
Last Six Fiscal Years

Table 24

Type	2008	2009	2010	2011	2012	2013	2014
<u>No. of All Building Permits</u>							
Including additions & remodeling	539	454	496	432	490	598	607
<u>Valuation of All Building Permits</u>	\$51,530,379	\$22,032,771	\$16,523,902	\$23,367,537	\$36,865,276	\$ 34,817,008	\$ 55,636,764
Including additions & remodeling							
<u>New Single Family Homes</u>							
No. of building permits	27	15	18	25	24	54	60
Valuation	\$7,889,846	\$3,536,955	\$4,977,791	\$7,023,748	\$5,888,340	\$13,640,425	\$14,212,683
<u>New Multiple Family Buildings</u>							
No. of building permits	2	1	1	0	2	9	2
No. of units	4	2	2	0	4	18	4
Valuation	\$660,000	\$362,000	\$362,000	\$0	\$825,000	\$3,022,250	\$1,080,000
<u>New Commercial/Industrial Buildings</u>							
No. of building permits	13	2	70	2	7	1	4
Valuation	\$27,689,176	\$1,195,000	\$7,355,819	\$8,430,000	\$15,618,091	\$3,100,000	\$18,548,000