



# **VILLAGE OF GERMANTOWN**

## **Germantown, Wisconsin**

**Comprehensive Annual Financial Report**  
**Period Ending December 31, 2013**

**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, 2013

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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# Village of



# Germantown

N112 W17001 Mequon Road,  
P. O. Box 337  
Germantown, WI 53022-0337  
Telephone: (262) 250-4700  
Fax: (262) 253-8255

June 26, 2014

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, 2013, 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, 2013. 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 last ten years. The 2013 estimated population is 19,811. 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 \$2.4 billion tax base is primarily residential (67.7% of equalized value in 2013) but it has a sizeable commercial (19.7%) and manufacturing (8.6%) presence also. Single Family housing starts increased substantially throughout the year with fifty-four new permits compared to twenty four in 2012. We also had nine Multi-Family permits of eighteen total units compared to two permits last year. Although the equalized value of the Village decreased by 2.07% the overall health of the Village remains strong. The equalized value decrease has more to do with the State and general economic conditions than anything specific to Germantown. The average Unemployment for Washington county is 5.1%, lower than the Wisconsin State average of 5.8%. The Village views the current low borrowing rates and lower property prices as an opportunity for forward economic innovation. The use of a variety of financing tools such as impact fees, tax incremental financing incentives, and close partnerships with business, the Village is preparing for a more 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 to owners or lessee or developers of land located within the district (development incentives). This change was instrumental in additional sales of land; such as WI Stamping, Envirosafe, Ellsworth Adhesives, Bradley Corporation and the guaranteed development of a major industrial facility, Airgas Inc. in 2014. 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.

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 2013 was 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.

The Village has partnered with MLG Commercial to develop a new Mixed-Use Business/ Industrial Park. The creation of the Tax Increment District is now underway.

**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, 2012. This was 25 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,



Kim E. Rath  
Finance Director



David R. Schornack  
Village Administrator



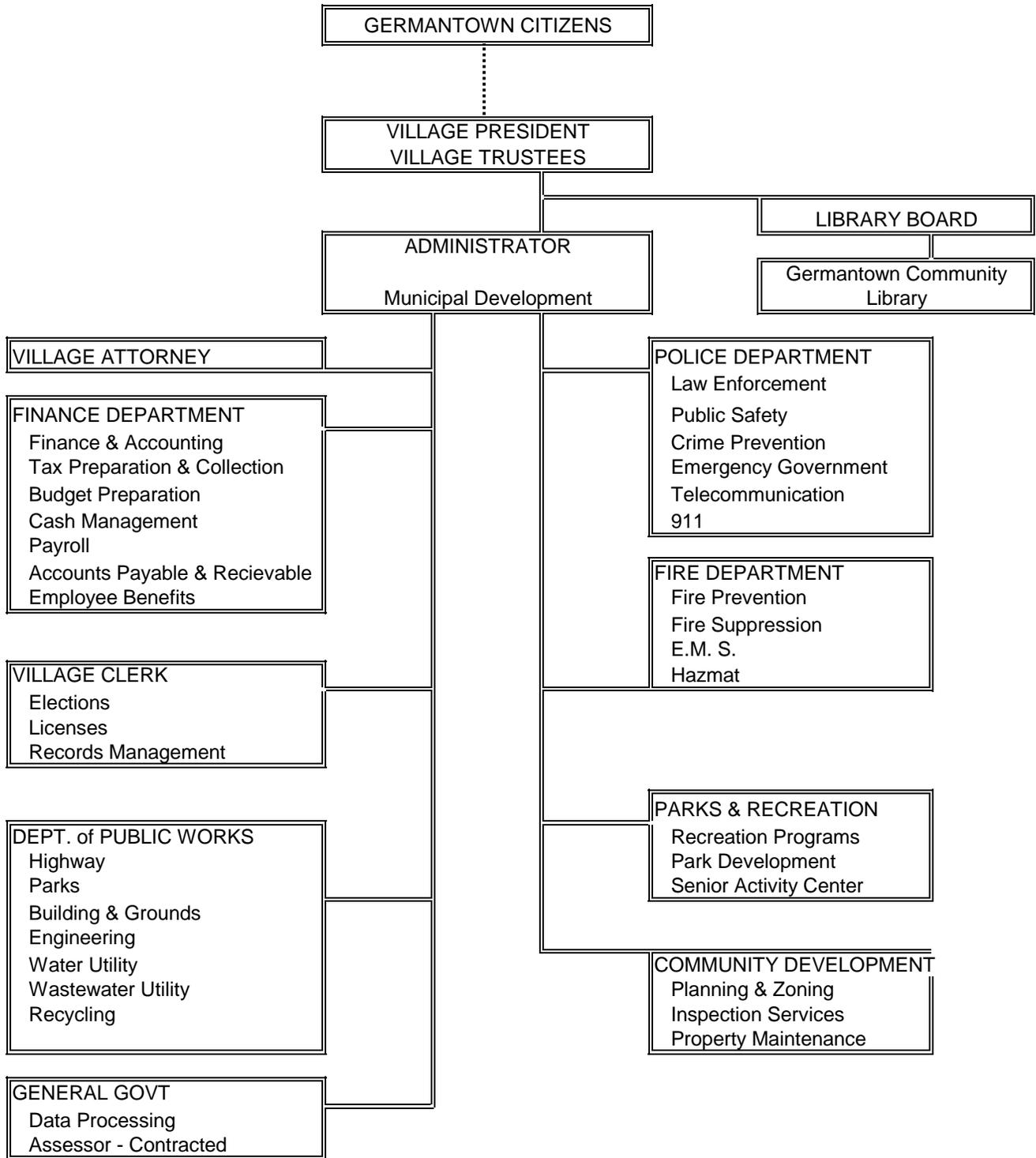
**LIST OF PRINCIPAL OFFICIALS as of December 31, 2013**  
***ELECTED OFFICIALS***

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	Jeff Werderman
Village Trustee - District 3	Melvin Ewert
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	Open
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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

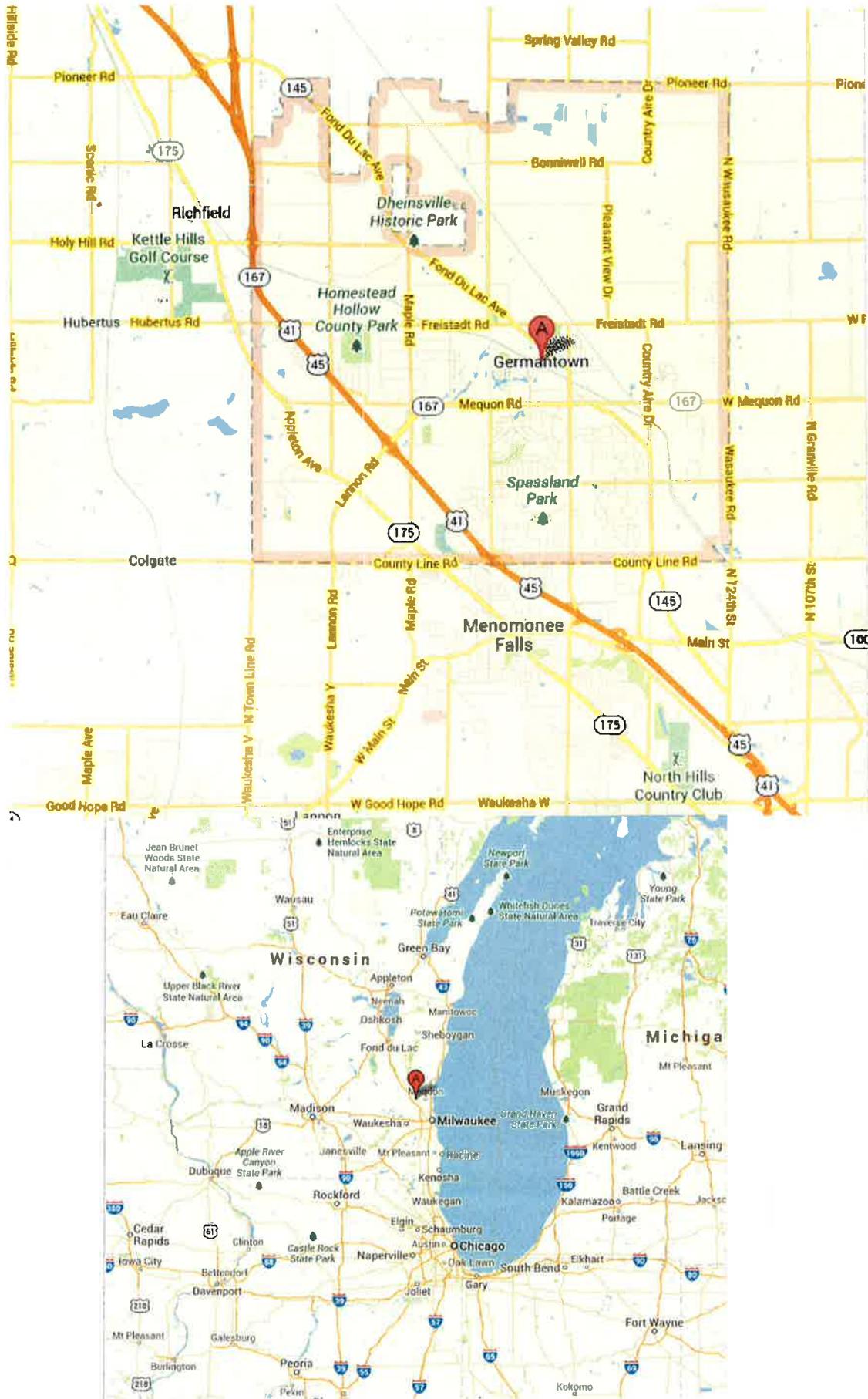
**Village of Germantown  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

# The Village of Germantown - Location Map



## **Village of Germantown History**

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 19,811. 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, 2013, 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, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the Village of Germantown adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Baker Tilly Vinchow Krause, LLP*

Madison, Wisconsin  
June 25, 2014

# VILLAGE OF GERMANTOWN

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2013 (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, 2013. 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.

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### FINANCIAL HIGHLIGHTS

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- > The Village of Germantown ended 2013 with a total net position of \$129.5 million, an increase of \$1.1 million over 2012. Of the total net position, \$116.4 million represents the Village's net investment in capital assets, \$6.7 million is held for restricted purposes, and \$6.4 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 and significant increment generated by the Tax Incremental Finance Districts, payments from developers, and favorable results across the majority of Village funds.
- > During 2013, 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 invested more than \$2.8 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, 2013, was \$106,596,635. Total general obligation debt outstanding at year end was \$25,607,985.
- > The General Fund unassigned fund balance at year end was \$3,271,462, or 22% of the subsequent year's general fund expenditure budget. This is an increase of 9.3% over 2012. The amount has been allowed to grow to mitigate sudden negative impacts that may be experienced or to be used for an unforeseen one time use.
- > The Village of Germantown closed two of its three TIF Districts, Nos 3 & 5 on May 6, 2013. TIF No. 3 was part of our Industrial Park, created January 1, 1989. TIF No. 5, created January 1, 1998, was a remediation TID in a major shopping center. The closeout returned \$397,219 to the other taxing jurisdictions and \$130,197 to the Village General Fund. The increment value of \$84,378,850 which was 3.7524% of the Village's Equalized Value allowed the Village to increase its levy by 1.8762% or \$169,796 in 2014.
- > On May 8, 2013 the Village issued a \$1,905,000 General Obligation Promissory Note to fund Asphalt Paving Projects, Playground Equipment, a Park Shelter, Highway Equipment, and other Public Safety Equipment and upgrades for a net interest cost of 1.123%. Our Moody's Investors Service Rating was Aa2.
- > A Water Utility Rate increase of 3% was approved by the Public Service Commission of WI and Village Board on September 16, 2013 to be effective December 15, 2013. The increased revenue will fund ongoing operational costs of the Village's Water Utility.
- > The 2013 Net New Construction percentage of 1.242% allowed \$112,413 to be added to the 2014 General Fund Tax Levy.

# VILLAGE OF GERMANTOWN

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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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, deferred outflows of resources, liabilities, and deferred inflows of resources 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**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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***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**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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*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.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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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 \$129.55 million was higher than 2012 by \$1.1 million. The majority of the net position (\$116.4 million) 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 (\$6.7 million or 5.2%) represents impact fees, equipment replacement accounts Capital Projects and Tax Incremental Financing (TIF) funds. The remaining \$6.45 million of total net position may be used to meet the Village's ongoing obligations to its citizens and creditors. Significant changes in Debt Service and TIF purposes reflect the closing of TID's No. 3 & 5.

**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 2012 and 2013. Table 2 summarizes the total revenues and expenses for 2013 with Tables 2.a and 2.b showing the changes from 2012 to 2013.

**Table 1**  
**2013 Statement of Net Position**

	Governmental Activities	Business-Type Activities	Totals
Current and Other Assets	\$ 28,010,811	\$ 9,122,129	\$ 37,132,940
Capital Assets	<u>75,542,072</u>	<u>58,587,662</u>	<u>134,129,734</u>
 Total Assets	 <u>103,552,883</u>	 <u>67,709,791</u>	 <u>171,262,674</u>
 Deferred Outflows of Resources	 <u>325,780</u>	 <u>-</u>	 <u>325,780</u>
Long-Term Liabilities	26,342,019	1,561,122	27,903,141
Other Liabilities	<u>1,256,549</u>	<u>398,271</u>	<u>1,654,820</u>
 Total Liabilities	 <u>27,598,568</u>	 <u>1,959,393</u>	 <u>29,557,961</u>
 Deferred Inflows of Resources	 <u>12,480,418</u>	 <u>-</u>	 <u>12,480,418</u>
 Net Position			
Invested in Capital, net of related debt	59,389,835	57,104,949	116,394,112
Restricted- Impact Fee Accounts	126,460	166,902	293,362
Library	138,403	-	138,403
Debt Service	2,474,746	116,923	2,591,669
Equipment Replacement	-	356,052	356,052
TIF Purposes	3,324,991	-	3,324,991
Unrestricted (deficit)	<u>(1,654,758)</u>	<u>8,005,572</u>	<u>6,451,486</u>
 Total Net Position	 <u>\$ 63,799,677</u>	 <u>\$ 65,750,398</u>	 <u>\$ 129,550,075</u>

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)**

**Table 1.a**

**Change in Statement of Net Position - Governmental Activities - 2012 to 2013**

	2012 to 2013		
	Change	2012	2013
Current and Other Assets	\$ (2,259,547)	\$ 30,270,358	\$ 28,010,811
Capital Assets	(321,924)	75,863,996	75,542,072
Total Assets	<u>(2,581,471)</u>	<u>106,134,354</u>	<u>103,552,883</u>
Deferred Outflows	<u>325,780</u>	<u>-</u>	<u>325,780</u>
Long-Term Liabilities	(1,490,580)	27,832,599	26,342,019
Other Liabilities	(14,152,302)	15,408,851	1,256,549
Total Liabilities	<u>(15,642,882)</u>	<u>43,241,450</u>	<u>27,598,568</u>
Deferred Inflows	<u>12,480,418</u>	<u>-</u>	<u>12,480,418</u>
Net Position			
Invested in Capital, net of related debt	(638,629)	60,028,464	59,389,835
Restricted - Impact Fee Accounts	66,522	59,938	126,460
- Library	23,832	114,571	138,403
- Debt Service	2,461,760	12,986	2,474,746
- TIF Purposes	(2,456,600)	5,781,591	3,324,991
Unrestricted (deficit)	<u>1,449,888</u>	<u>(3,104,646)</u>	<u>(1,654,758)</u>
Total Net Position	<u>\$ 906,773</u>	<u>\$ 62,892,904</u>	<u>\$ 63,799,677</u>

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)**

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**Table 1.b**

**Statement of Net Position - Business Type Activities - 2012 to 2013**

	<u>2012 to 2013</u> <u>Change</u>	<u>2012</u>	<u>2013</u>
Current and Other Assets	\$ 1,329,137	\$ 7,792,992	\$ 9,122,129
Capital Assets	<u>(1,191,625)</u>	<u>59,779,287</u>	<u>58,587,662</u>
Total Assets	<u>137,512</u>	<u>67,572,279</u>	<u>67,709,791</u>
Long-Term Liabilities	(78,828)	1,639,950	1,561,122
Other Liabilities	<u>(2,384)</u>	<u>400,655</u>	<u>398,271</u>
Total Liabilities	<u>(81,212)</u>	<u>2,040,605</u>	<u>1,959,393</u>
Net Position			
Invested in Capital, net of related debt	(1,124,686)	58,229,635	57,104,949
Restricted - Impact Fee	7,742	159,160	166,902
- Debt Service	346	116,577	116,923
- Equipment Replacement	6,478	349,574	356,052
Unrestricted (deficit)	<u>1,328,844</u>	<u>6,676,728</u>	<u>8,005,572</u>
Total Net Position	<u>\$ 218,724</u>	<u>\$ 65,531,674</u>	<u>\$ 65,750,398</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, 2013**

	Governmental Activities	Business-Type Activities	Totals
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 2,588,743	\$ 8,181,716	\$ 10,770,459
Operation Grants & Contributions	1,458,894	-	1,458,894
Capital Grants & Contributions	86,063	118,335	204,398
General Revenues			
Property Taxes	13,844,967	-	13,844,967
Intergovernmental revenues	1,001,520	-	1,001,520
Investment income	65,225	(738)	64,487
Other	341,198	-	341,198
<b>Total Revenues</b>	<u>19,386,610</u>	<u>8,299,313</u>	<u>27,685,923</u>
<b>Expenses</b>			
General government	1,653,929	-	1,653,929
Public safety	7,279,873	-	7,279,873
Public works	5,726,927	-	5,726,927
Culture and recreation	2,622,495	-	2,622,495
Conservation and development	757,450	-	757,450
Interest and fiscal charges	1,013,868	-	1,013,868
Water	-	1,972,682	1,972,682
Wastewater	-	5,533,202	5,533,202
<b>Total Expenses</b>	<u>19,054,542</u>	<u>7,505,884</u>	<u>26,560,426</u>
<b>Total</b>	332,068	793,429	1,125,497
<b>Transfers</b>	<u>574,705</u>	<u>(574,705)</u>	<u>-</u>
Change in net position	906,773	218,724	1,125,497
Net Position - Beginning	<u>62,892,904</u>	<u>65,531,674</u>	<u>128,424,578</u>
<b>NET POSITION - ENDING</b>	<u>\$ 63,799,677</u>	<u>\$ 65,750,398</u>	<u>\$ 129,550,075</u>

**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, 2013**

	2012 to 2013 Change	2012	2013
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 126,998	\$ 2,461,745	\$ 2,588,743
Operation Grants & Contributions	31,498	1,427,396	1,458,894
Capital Grants & Contributions	(450,030)	536,093	86,063
<b>General Revenues</b>			
Property Taxes	128,593	13,716,374	13,844,967
Intergovernmental revenues	(25,912)	1,027,432	1,001,520
Investment income	(61,140)	126,365	65,225
Other	(837,553)	1,178,751	341,198
<b>Total Revenues</b>	<u>(1,087,546)</u>	<u>20,474,156</u>	<u>19,386,610</u>
<b>Expenses</b>			
General government	(86,570)	1,740,499	1,653,929
Public safety	460,278	6,819,595	7,279,873
Public works	(74,821)	5,801,748	5,726,927
Culture and recreation	37,906	2,584,589	2,622,495
Conservation and development	523,239	234,211	757,450
Interest and fiscal charges	72,857	941,011	1,013,868
<b>Total Expenses</b>	<u>932,889</u>	<u>18,121,653</u>	<u>19,054,542</u>
<b>Total</b>	<u>(2,020,435)</u>	<u>2,352,503</u>	<u>332,068</u>
<b>Transfers</b>	<u>(4,965)</u>	<u>579,670</u>	<u>574,705</u>
<b>Change in Net Position</b>	<u>(2,025,400)</u>	<u>2,932,173</u>	<u>906,773</u>
<b>Net Position - Beginning</b>	<u>2,932,173</u>	<u>59,960,731</u>	<u>62,892,904</u>
<b>NET POSITION - ENDING</b>	<u>\$ 906,773</u>	<u>\$ 62,892,904</u>	<u>\$ 63,799,677</u>

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)**

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**Table 2.b**

**Village of Germantown's Changes Statement of Activities - Business Type Activities -  
for the year ending December 31, 2013**

	2012 to 2013 Change	2012	2013
Revenues			
Program Revenues			
Charges for Services	\$223,536	\$ 7,958,180	\$ 8,181,716
Capital Grants & Contributions	(262,927)	381,262	118,335
General Revenues			
Investment income	(14,876)	14,138	(738)
Total Revenues	<u>(54,267)</u>	<u>8,353,580</u>	<u>8,299,313</u>
Expenses			
Water	5,337	1,967,345	1,972,682
Wastewater	44,796	5,488,406	5,533,202
Total Expenses	<u>50,133</u>	<u>7,455,751</u>	<u>7,505,884</u>
Total	(104,400)	897,829	793,429
Transfers	<u>4,965</u>	<u>(579,670)</u>	<u>(574,705)</u>
Change in Net Position	(99,435)	318,159	218,724
Net Position - Beginning	<u>318,159</u>	<u>65,213,515</u>	<u>65,531,674</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 218,724</u>	<u>\$ 65,531,674</u>	<u>\$ 65,750,398</u>

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS**

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***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, 2013, the Village of Germantown's *Balance Sheet – Governmental Funds* - reported combined ending fund balances of \$11.66 million, a decrease of \$177,458 over the previous year's ending balances. Of this total, nearly \$8.39 million is nonspendable, restricted, committed or assigned for specific legal requirements and other commitments, leaving total unassigned governmental fund balances of \$3.27 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. With reductions in labor costs, the closing of our TIF Districts No. 3 & 5, and higher than projected revenues in licenses, permits and fees, \$278,422 was added to unassigned fund balance in 2013. This helped place the Village in a much stronger position going forward. This savings enabled the Village to cover the cost of increased staffing in our Fire Department and the funding of some 2014 capital expenditures.

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 intergovernmental aids, together accounting for 80.73% of total revenues. On the operations side, Public Safety is our highest expenditure at 46.9%. The increase in Public Safety was due to the funding of additional staffing of our Fire Department to cover weekend shifts. This was a mid-year change/trial implemented until increased recruitment could give us additional staff which would alleviate the number of hours covered by our Paid on Call staff.

Funds collected for payment of the outstanding debt for TIF Districts No. 3 & 5 were transferred to our Debt Service Fund after their closing. This was the cause of the large fund balance increase in the Debt Service Fund. These funds will be held for payment of the remaining debt outstanding at the time the TIFs were closed.

The General Capital Projects Fund balance of \$1.16 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 \$584,294. 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.

The remaining Non-major Governmental Funds consist of TID #4, 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. 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

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS**

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***Proprietary Funds***

The net position of the enterprise-type proprietary funds at the end of 2013 totaled \$65.7 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 remained stable throughout the year; operating revenues less operating expenses added \$263,895, similar to the \$243,623 added in the prior year. 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 70.16% of the operating expense. In 2013, the Village paid \$1,391,583 for user charges and \$2,498,402 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 planning for a major relining of its 48" interceptor main beginning in 2014, of which the increased revenue is intended to cover.

The Water Utility decreased its net position by \$140,063 at year end, due mainly to expenditures for distribution and transmission main repair and well repair costs. A 3% Simplified Rate Increase was approved, effective December 15, 2013. This increase along with an increase in the Water Impact Fee revenue due to housing and business growth with help stabilize the Utility going forward.

There was an increase in Utility Capital Infrastructure assets of \$285,867, including utility-financed and developer-added assets.

The Health and Dental Protection funds maintained positive cash flow ending the year with a net position of \$572,373, showing an increase to fund balance of \$146,222 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.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund beginning* on page 51, the original 2013 General Fund budget authorized expenditures of \$14,188,592. Anticipated funding for these expenses was expected from taxes (General Property and other taxes) of \$9,017,638 and other revenue sources including intergovernmental revenues, regulation and compliance, and public charges for services. 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 totaled \$14,450,284, ending the year with a positive fund balance increase of \$160,325.

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS**

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**GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)**

Revenues exceeded the final budget by \$353,067, higher in all categories except investment income. The closeout of TIF Districts No. 3 & 5 allowed for a distribution to all taxing authorities of any excess of its fund balance; the transfer into the General Fund was \$130,197. An increase in building inspection fees, development fees, and Police Department Grants are some of the other reasons for revenues exceeding the budget.

Total expenditures were over budget by \$8,224. This was mainly due to the increased staffing at the Fire Department. The Fire Department has full and part time coverage during the weekday, but relies on a Paid on Call staff for nights and weekends. During 2013, a trial change in staffing to allow for full time coverage during the weekends was approved. A recruitment drive was also established to increase the number of Paid on Call members to alleviate the number of hours and days the original staff were on call. The funds to cover this was picked up in the revenue overages and unassigned funds if needed.

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. 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 \$844,391, the amount added to the unassigned general fund balance was \$278,422 making the final balance at year end \$3,271,462. As per Village policy, the unassigned fund should be between 10 – 15% of the Village's subsequent year budgeted expenditures. As of December 31, 2013, the unreserved fund balance covers 22% of subsequent year budgeted expenditures.

**CAPTIAL 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, 2013 totaled \$198.1 million, an increase of \$1.6 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 2013 included the following:

**Significant Additions to Capital Assets in 2013**

• Roads	\$ 1,250,131
• Machinery & Equipment	\$ 733,168
• Buildings & Improvements	\$ 301,062
• Water & Sewer System	\$ 285,867

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (cont)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2012	2013	2012	2013
Construction in progress	\$ 0.0	\$ 0.0	0.0	0.0
Land	13.6	13.6	0.3	0.3
Buildings and improvements	9.6	9.5	3.7	3.6
Machinery and equipment	3.7	3.9	4.0	3.8
Infrastructure	<u>48.9</u>	<u>48.5</u>	<u>51.7</u>	<u>50.9</u>
<b>Totals</b>	<u>\$ 75.8</u>	<u>\$ 75.5</u>	<u>59.7</u>	<u>58.6</u>

Additional Information about the Village's capital assets can be found in Note III.D on pages 34 through 36.

***LONG-TERM DEBT***

On December 31, 2013, the Village of Germantown had \$27,090,698 of 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>	
	2012	2013	2012	2013
General obligation debt	\$ 27,511,642	\$ 25,607,985		
Revenue Bonds	-	-	\$ 1,566,328	\$ 1,482,713
<b>Totals</b>	<u>\$ 27,511,642</u>	<u>\$ 25,607,985</u>	<u>\$ 1,566,328</u>	<u>\$ 1,482,713</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, 2013 was \$106,596,635. Total General Obligation debt outstanding was \$25,607,985. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION (cont)**

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**Long-term Debt Issued 2013**

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
05/08/2013	General Obligation Promissory Note	\$ 1,905,000
<b>Uses</b>	Public Safety Equipment	\$ 190,375
	Recreation /Park Improvements	235,000
	Roadway Design & Improvements	1,094,000
	Trucks	61,000
	Highway Heavy Equipment	291,000

Additional information about the Village's long-term debt can be found in Note III-F, pages 39 - 43 of this report.

**VILLAGE OF GERMANTOWN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

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- > On May 14, 2014 the Village of Germantown issued a \$3,710,000 General Obligation Promissory Note . Series 2014A. \$2,611,552 to be used for road construction and repair, a heavy duty Rescue/Fire truck, building and grounds maintenance, drainage improvements, park improvements and equipment acquisition. Another portion of the Bond (\$1,125,015) is to be used to provide funds for a current refunding of the outstanding principal of the Series 2010 Taxable General Obligation (Build America Bond - Direct Payment) Notes. The refunding will include some accrued interest, a true interest rate of 1.6334% and savings of \$49,532 net present value.
- > A Joint Review Board, consisting on one representative chosen by the Germantown School District, the Wisconsin Technical College District System, Washington County, the Village of Germantown and one public member has voted to establish Tax Incremental District No. 6 on June 12th, 2014. The District created is an approximately 195 acre Mixed-Use District in the South West corner of the Village, combining industrial and commercial business along Appleton Avenue south of Lannon Road.
- > 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. The village is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.
- > The Village Board voted on March 17, 2014 to authorize a full market revaluation in 2014 to be performed by Accurate Appraisals, LLC, the Village's current contracted assessing firm.

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**REQUESTS FOR INFORMATION**

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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](http://www.village.germantown.wi.us)) under the Finance Department's Financial Reports Section. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, N112 W17001 Mequon Road, P.O. Box 337, Germantown, WI 53022. Finance Department staff can also be reached at 262-250-4700.

# VILLAGE OF GERMANTOWN

## STATEMENT OF NET POSITION As of December 31, 2013

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 11,888,429	\$ 6,731,390	\$ 18,619,819
Receivables (net)			
Taxes	12,561,871	-	12,561,871
Accounts receivable	584,358	2,175,003	2,759,361
Special assessments receivable	37,482	47,067	84,549
Developer	1,384,016	-	1,384,016
Accrued interest	19,571	10,312	29,883
Internal balances	494,003	(494,003)	-
Prepaid items	5,743	6,666	12,409
Land held for resale	908,878	-	908,878
Restricted Assets			
Cash and investments	126,084	645,167	771,251
Accrued interest	376	527	903
Capital Assets			
Land	13,577,807	329,753	13,907,560
Construction in progress	-	15,765	15,765
Capital assets, net of depreciation	<u>61,964,265</u>	<u>58,242,144</u>	<u>120,206,409</u>
Total Assets	<u>103,552,883</u>	<u>67,709,791</u>	<u>171,262,674</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	<u>325,780</u>	<u>-</u>	<u>325,780</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,034,003	392,454	1,426,457
Accrued interest payable	222,546	5,817	228,363
Noncurrent Liabilities			
Due within one year	4,375,522	91,864	4,467,386
Due in more than one year	<u>21,966,497</u>	<u>1,469,258</u>	<u>23,435,755</u>
Total Liabilities	<u>27,598,568</u>	<u>1,959,393</u>	<u>29,557,961</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	<u>12,480,418</u>	<u>-</u>	<u>12,480,418</u>
<b>NET POSITION</b>			
Net investment in capital assets	59,389,835	57,104,949	116,394,112
Restricted for			
Impact fees	126,460	166,902	293,362
Library	138,403	-	138,403
Debt service	2,474,746	116,923	2,591,669
Equipment replacement	-	356,052	356,052
TIF purposes	3,324,991	-	3,324,991
Unrestricted (deficit)	<u>(1,654,758)</u>	<u>8,005,572</u>	<u>6,451,486</u>
<b>TOTAL NET POSITION</b>	<u>\$ 63,799,677</u>	<u>\$ 65,750,398</u>	<u>\$ 129,550,075</u>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,653,929	\$ 312,260	\$ -	\$ -
Public safety	7,279,873	1,052,083	128,799	23,621
Public works	5,726,927	271,587	932,357	6,507
Culture, education and recreation	2,622,495	939,005	378,380	55,935
Conservation and development	757,450	13,808	-	-
Interest and fiscal charges	<u>1,013,868</u>	<u>-</u>	<u>19,358</u>	<u>-</u>
Total Governmental Activities	<u>19,054,542</u>	<u>2,588,743</u>	<u>1,458,894</u>	<u>86,063</u>
Business-type Activities				
Water	1,972,682	2,373,015	-	50,207
Sewer	<u>5,533,202</u>	<u>5,808,701</u>	<u>-</u>	<u>68,128</u>
Total Business-type Activities	<u>7,505,884</u>	<u>8,181,716</u>	<u>-</u>	<u>118,335</u>
Totals	<u>\$ 26,560,426</u>	<u>\$ 10,770,459</u>	<u>\$ 1,458,894</u>	<u>\$ 204,398</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 (loss)

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>
\$ (1,341,669)	\$ -	\$ (1,341,669)
(6,075,370)	-	(6,075,370)
(4,516,476)	-	(4,516,476)
(1,249,175)	-	(1,249,175)
(743,642)	-	(743,642)
<u>(994,510)</u>	<u>-</u>	<u>(994,510)</u>
<u>(14,920,842)</u>	<u>-</u>	<u>(14,920,842)</u>
-	450,540	450,540
-	<u>343,627</u>	<u>343,627</u>
-	<u>794,167</u>	<u>794,167</u>
<u>(14,920,842)</u>	<u>794,167</u>	<u>(14,126,675)</u>
8,689,238	-	8,689,238
1,869,280	-	1,869,280
2,922,492	-	2,922,492
363,957	-	363,957
1,001,520	-	1,001,520
65,225	(738)	64,487
<u>341,198</u>	<u>-</u>	<u>341,198</u>
<u>15,252,910</u>	<u>(738)</u>	<u>15,252,172</u>
<u>574,705</u>	<u>(574,705)</u>	<u>-</u>
906,773	218,724	1,125,497
<u>62,892,904</u>	<u>65,531,674</u>	<u>128,424,578</u>
<u>\$ 63,799,677</u>	<u>\$ 65,750,398</u>	<u>\$ 129,550,075</u>

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2013

	General Fund	Debt Service Fund	General Capital Projects	Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 3,001,427	\$ 2,695,847	\$ 2,027,869	\$ 3,567,837
Receivables				
Taxes	8,960,237	2,123,188	10,531	1,406,475
Special assessments	37,482	-	-	-
Accounts	563,611	-	19,211	-
Developer	-	-	1,384,016	-
Delinquent taxes	61,440	-	-	-
Accrued interest	8,955	1,445	2,268	6,742
Due from other funds	1,302,184	-	-	-
Prepaid items	5,743	-	-	-
Restricted Assets				
Cash and investments	-	-	-	126,084
Accrued interest	-	-	-	376
	<u>\$ 13,941,079</u>	<u>\$ 4,820,480</u>	<u>\$ 3,443,895</u>	<u>\$ 5,107,514</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 364,006	\$ -	\$ 167,368	\$ 15,781
Accrued liabilities	461,288	-	-	-
Due to other governments	787	-	-	-
Due to other funds	-	-	721,567	1,010
Total Liabilities	<u>826,081</u>	<u>-</u>	<u>888,935</u>	<u>16,791</u>
Deferred Inflows of Resources				
Unearned revenue	8,950,755	2,123,188	-	1,406,475
Unavailable revenues	48,390	-	1,394,546	-
Total Deferred Inflows of Resources	<u>8,999,145</u>	<u>2,123,188</u>	<u>1,394,546</u>	<u>1,406,475</u>
Fund Balances				
Nonspendable	67,183	-	-	-
Restricted	-	2,697,292	137,246	3,589,854
Committed	-	-	-	94,394
Assigned	777,208	-	1,023,168	-
Unassigned	3,271,462	-	-	-
Total Fund Balances	<u>4,115,853</u>	<u>2,697,292</u>	<u>1,160,414</u>	<u>3,684,248</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 13,941,079</u>	<u>\$ 4,820,480</u>	<u>\$ 3,443,895</u>	<u>\$ 5,107,514</u>

See accompanying notes to financial statements.

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Totals

\$ 11,292,980

12,500,431

37,482

582,822

1,384,016

61,440

19,410

1,302,184

5,743

126,084

376

\$ 27,312,968

\$ 547,155

461,288

787

722,577

1,731,807

12,480,418

1,442,936

13,923,354

67,183

6,424,392

94,394

1,800,376

3,271,462

11,657,807

\$ 27,312,968

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, 2013

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Total Fund Balances - Governmental Funds	\$ 11,657,807
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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	61,964,265

Land held for resale is not a financial resource and is, therefore, not reported in the funds	908,878
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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.	1,442,936
--	-----------

Internal service funds are reported in the statement of net position as governmental activities.	572,373
--	---------

Internal service fund internal receivable between governmental and business-type activities	(85,604)
---	----------

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	(25,607,985)
Compensated absences	(686,264)
Accrued interest	(222,546)
Unamortized debt discount	(47,770)
Unamortized loss on refunding	<u>325,780</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 63,799,677</u></b>
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## VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2013

	General Fund	Debt Service Fund	General Capital Projects	Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 9,054,454	\$ 1,869,280	\$ -	\$ 2,922,892
Special assessments	4,685	-	304,617	-
Intergovernmental	2,249,686	19,358	92,081	75,039
Regulation and compliance	1,033,161	-	-	-
Public charges for services	1,522,499	-	-	105,312
Investment income (loss)	12,376	(4,015)	67,030	(11,825)
Miscellaneous	<u>124,896</u>	<u>-</u>	<u>25,452</u>	<u>49,868</u>
Total Revenues	<u>14,001,757</u>	<u>1,884,623</u>	<u>489,180</u>	<u>3,141,286</u>
<b>EXPENDITURES</b>				
Current				
General government	1,339,722	-	-	-
Public safety	6,774,490	-	-	3,995
Public works	3,506,966	-	-	-
Culture and recreation	2,341,355	-	-	15,915
Conservation and development	213,561	-	-	479,273
Capital Outlay	274,190	-	2,486,251	171,864
Debt Service				
Principal	-	3,808,657	-	-
Interest and fiscal charges	-	722,234	-	-
Debt issuance costs	<u>-</u>	<u>-</u>	<u>35,536</u>	<u>-</u>
Total Expenditures	<u>14,450,284</u>	<u>4,530,891</u>	<u>2,521,787</u>	<u>671,047</u>
Excess (deficiency) of revenues over expenditures	<u>(448,527)</u>	<u>(2,646,268)</u>	<u>(2,032,607)</u>	<u>2,470,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of general obligation notes	-	-	1,905,000	-
Transfers in	713,367	5,056,509	104,515	-
Transfers out	<u>(104,515)</u>	<u>-</u>	<u>(391,094)</u>	<u>(4,804,077)</u>
Total Other Financing Sources (Uses)	<u>608,852</u>	<u>5,056,509</u>	<u>1,618,421</u>	<u>(4,804,077)</u>
<b>Net Change in Fund Balances</b>	160,325	2,410,241	(414,186)	(2,333,838)
FUND BALANCES - Beginning of Year	<u>3,955,528</u>	<u>287,051</u>	<u>1,574,600</u>	<u>6,018,086</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,115,853</u>	<u>\$ 2,697,292</u>	<u>\$ 1,160,414</u>	<u>\$ 3,684,248</u>

See accompanying notes to financial statements.

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Totals  
\$ 13,846,626  
309,302  
2,436,164  
1,033,161  
1,627,811  
63,566  
200,216  
19,516,846

1,339,722  
6,778,485  
3,506,966  
2,357,270  
692,834  
2,932,305

3,808,657  
722,234  
35,536  
22,174,009

(2,657,163)

1,905,000  
5,874,391  
(5,299,686)  
2,479,705

(177,458)

11,835,265

\$ 11,657,807

## 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, 2013

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Net change in fund balances - total governmental funds	\$ (177,458)
Amounts reported for governmental activities in the statement of net position are different because:	
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.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,932,305
Some items reported as capital outlay were not capitalized	(443,954)
Depreciation is reported in the government-wide financial statements	(2,569,005)
Net book value of assets retired	(241,271)
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.	
Special assessments	(343,808)
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.	
Debt issued	(1,905,000)
Principal repaid	3,808,657
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 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.	
Elimination of unamortized debt issuance costs	(242,773)
Amortization of debt discount	7,637
Amortization of loss on refunding	(71,983)
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.	
Compensated absences	(22,951)
Accrued interest on debt	51,519
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.	<u>124,858</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 906,773</u></b>

See accompanying notes to financial statements.

## VILLAGE OF GERMANTOWN

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 2,183,316	\$ 4,265,621	\$ 6,448,937	\$ 595,449
Accounts receivable	717,357	1,457,646	2,175,003	1,536
Accrued interest	3,505	6,807	10,312	205
Due from other funds	60,208	-	60,208	-
Prepaid items	3,333	3,333	6,666	-
Restricted Assets				
Redemption account	<u>32,740</u>	<u>-</u>	<u>32,740</u>	<u>-</u>
Total Current Assets	<u>3,000,459</u>	<u>5,733,407</u>	<u>8,733,866</u>	<u>597,190</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	45,431	-	45,431	-
Replacement account	-	310,621	310,621	-
Impact fee account	166,375	-	166,375	-
Interest receivable	527	-	527	-
Capital Assets				
Land	294,604	35,149	329,753	-
Construction in progress	15,765	-	15,765	-
Plant in service	36,211,576	43,910,666	80,122,242	-
Accumulated depreciation	(9,304,218)	(12,575,880)	(21,880,098)	-
Other Assets				
Vehicle replacement account	-	282,453	282,453	-
Special assessments receivable	<u>47,067</u>	<u>-</u>	<u>47,067</u>	<u>-</u>
Total Noncurrent Assets	<u>27,567,127</u>	<u>31,963,009</u>	<u>59,530,136</u>	<u>-</u>
Total Assets	<u>30,567,586</u>	<u>37,696,416</u>	<u>68,264,002</u>	<u>597,190</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 29,437	\$ 348,992	\$ 378,429	\$ 24,817
Due to other funds	576,516	63,299	639,815	-
Accrued wages	7,846	6,179	14,025	-
Current portion of compensated absences	1,183	1,169	2,352	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	89,512	-	89,512	-
Accrued interest payable	5,817	-	5,817	-
Total Current Liabilities	<u>710,311</u>	<u>419,639</u>	<u>1,129,950</u>	<u>24,817</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,393,201	-	1,393,201	-
Compensated absences	38,251	37,806	76,057	-
Total Noncurrent Liabilities	<u>1,431,452</u>	<u>37,806</u>	<u>1,469,258</u>	<u>-</u>
Total Liabilities	<u>2,141,763</u>	<u>457,445</u>	<u>2,599,208</u>	<u>24,817</u>
<b>NET POSITION</b>				
Net investment in capital assets	25,735,014	31,369,935	57,104,949	-
Restricted for				
Impact fees	166,902	-	166,902	-
Debt service	116,923	-	116,923	-
Equipment replacement	45,431	310,621	356,052	-
Unrestricted net position	<u>2,361,553</u>	<u>5,558,415</u>	<u>7,919,968</u>	<u>572,373</u>
<b>TOTAL NET POSITION</b>	<u>\$ 28,425,823</u>	<u>\$ 37,238,971</u>	65,664,794	<u>\$ 572,373</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>85,604</u>	
<b>NET POSITION BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 65,750,398</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, 2013

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 5,766,734	\$ 5,766,734	\$ -
Sale of water	2,260,234	-	2,260,234	-
Other	<u>62,546</u>	<u>41,246</u>	<u>103,792</u>	<u>1,840,503</u>
Total Operating Revenues	<u>2,322,780</u>	<u>5,807,980</u>	<u>8,130,760</u>	<u>1,840,503</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	1,170,210	4,843,648	6,013,858	1,693,784
Depreciation	<u>742,608</u>	<u>700,437</u>	<u>1,443,045</u>	<u>-</u>
Total Operating Expenses	<u>1,912,818</u>	<u>5,544,085</u>	<u>7,456,903</u>	<u>1,693,784</u>
Operating Income	<u>409,962</u>	<u>263,895</u>	<u>673,857</u>	<u>146,719</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income (loss)	(5,417)	4,679	(738)	(497)
Miscellaneous revenues	50,235	721	50,956	-
Interest expense	<u>(70,345)</u>	<u>-</u>	<u>(70,345)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(25,527)</u>	<u>5,400</u>	<u>(20,127)</u>	<u>(497)</u>
Income Before Contributions and Transfers	<u>384,435</u>	<u>269,295</u>	<u>653,730</u>	<u>146,222</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	50,207	68,128	118,335	-
Transfers out - tax equivalent	<u>(574,705)</u>	<u>-</u>	<u>(574,705)</u>	<u>-</u>
Total Contributions and Transfers	<u>(524,498)</u>	<u>68,128</u>	<u>(456,370)</u>	<u>-</u>
<b>Change in Net Position</b>	(140,063)	337,423	197,360	146,222
NET POSITION - Beginning of Year	<u>28,565,886</u>	<u>36,901,548</u>	<u>65,467,434</u>	<u>426,151</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 28,425,823</u>	<u>\$ 37,238,971</u>	<u>\$ 65,664,794</u>	<u>\$ 572,373</u>
Change in Net Position of Proprietary Funds			\$ 197,360	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>21,364</u>	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ 218,724</u>	

See accompanying notes to financial statements.

**VILLAGE OF GERMANTOWN**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 1,812,001	\$ 5,781,128	\$ 7,593,129	\$ 1,918,979
Received from other funds for services	633,224	-	633,224	-
Paid to suppliers for goods and services	(772,731)	(4,404,498)	(5,177,229)	(1,669,714)
Paid to employees for operating payroll	(425,299)	(410,707)	(836,006)	-
Net Cash Flows From Operating Activities	1,247,195	965,923	2,213,118	249,265
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investments sold and matured	1,015,015	2,063,677	3,078,692	-
Investment income	(3,991)	2,546	(1,445)	(128)
Investments purchased	(1,176,624)	(2,374,687)	(3,551,311)	-
Net Cash Flows From Investing Activities	(165,600)	(308,464)	(474,064)	(128)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Paid to municipality for tax equivalent	(579,670)	-	(579,670)	-
Net Cash Flows From Noncapital Financing Activities	(579,670)	-	(579,670)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(83,609)	(12,673)	(96,282)	-
Capital contributions received	6,077	32,727	38,804	-
Special assessments received	8,557	-	8,557	-
Debt retired	(83,615)	-	(83,615)	-
Interest paid	(53,968)	-	(53,968)	-
Net Cash Flows From Capital and Related Financing Activities	(206,558)	20,054	(186,504)	-
<b>Net Change in Cash and Cash Equivalents</b>	295,367	677,513	972,880	249,137
CASH AND CASH EQUIVALENTS - Beginning of Year	1,045,871	1,806,495	2,852,366	346,312
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,341,238</b>	<b>\$ 2,484,008</b>	<b>\$ 3,825,246</b>	<b>\$ 595,449</b>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 409,962	\$ 263,895	\$ 673,857	\$ 146,719
Nonoperating revenue	50,235	721	50,956	-
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Depreciation	742,608	700,437	1,443,045	-
Depreciation charged to other funds	34,447	-	34,447	-
Changes in assets and liabilities				
Accounts receivable	(110,669)	(27,285)	(137,954)	42,223
Due from other funds	148,432	(288)	148,144	-
Prepaid items	(3,333)	(3,333)	(6,666)	36,253
Accounts payable	(18,647)	39,703	21,056	24,070
Due to other funds	435	(303)	132	-
Accrued wages	-	(10,685)	(10,685)	-
Other current liabilities	(8,001)	-	(8,001)	-
Accrued sick leave	1,726	3,061	4,787	-
	<u>1,247,195</u>	<u>965,923</u>	<u>2,213,118</u>	<u>249,265</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,247,195</u>	<u>\$ 965,923</u>	<u>\$ 2,213,118</u>	<u>\$ 249,265</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>				
Cash and investments - statement of net position	\$ 2,183,316	\$ 4,265,621	\$ 6,448,937	\$ 595,449
Restricted cash and investments - statement of net position	334,546	310,621	645,167	-
Vehicle replacement account	-	282,453	282,453	-
Total Cash and Investments	2,517,862	4,858,695	7,376,557	595,449
Less: Noncash equivalents	(1,176,624)	(2,374,687)	(3,551,311)	-
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,341,238</u>	<u>\$ 2,484,008</u>	<u>\$ 3,825,246</u>	<u>\$ 595,449</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Developer financed additions to utility plant	<u>\$ 44,130</u>	<u>\$ 35,401</u>		

See accompanying notes to financial statements.

**VILLAGE OF GERMANTOWN**

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

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	<u>Agency Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 23,301,470
Taxes receivable	<u>9,014,513</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 32,315,983</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 316,216
Due to other governments	<u>31,999,767</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 32,315,983</u></b>

See accompanying notes to financial statements.

# VILLAGE OF GERMANTOWN

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

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# VILLAGE OF GERMANTOWN

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

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Village of Germantown, Wisconsin (village) 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**

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

#### **Government-Wide Financial Statements**

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

# VILLAGE OF GERMANTOWN

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

---

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

---

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

#### *Fund Financial Statements*

Financial statements of the reporting entity 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 equity, revenues, and expenditures/expenses.

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.

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, 2013

---

## 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

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

Tax Incremental District (TID) No. 3 Fund  
Tax Incremental District (TID) No. 4 Fund  
Tax Incremental District (TID) No. 5 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

# VILLAGE OF GERMANTOWN

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

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

---

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

#### ***Government-Wide Financial Statements***

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 unearned revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

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

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

# VILLAGE OF GERMANTOWN

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

---

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

---

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

#### *Fund Financial Statements (cont.)*

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

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

#### *All Financial Statements*

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

# VILLAGE OF GERMANTOWN

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

---

## **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.)***

- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The village has adopted an investment policy. That policy follows 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.

# VILLAGE OF GERMANTOWN

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

---

### 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.)***

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

##### ***2. Receivables***

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

Property tax calendar - 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale - 2013 delinquent real estate taxes	October 2016

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.

# VILLAGE OF GERMANTOWN

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

---

## 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.)*

#### **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.

#### **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

# VILLAGE OF GERMANTOWN

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

---

## 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 (cont.)**

##### ***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.

#### **7. Deferred Outflows of Resources**

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

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

#### **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 \$56,760.

# VILLAGE OF GERMANTOWN

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

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

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

#### ***7. Deferred Outflows of Resources (cont.)***

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, 2013, 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.

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. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

The village 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 \$44,182,853, made up of 14 issues.

#### ***10. Deferred Inflows of Resources***

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

# VILLAGE OF GERMANTOWN

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

## **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**

##### ***Government-Wide Statements***

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

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

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

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 59,389,835	\$ 57,104,949	\$ (100,672)	\$ 116,394,112
Unrestricted (deficit)	(1,654,758)	8,005,572	100,672	6,451,486

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 equity is classified as fund balance and displayed as follows:

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

# VILLAGE OF GERMANTOWN

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

---

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

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

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

##### ***Fund Statements (cont.)***

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Village Board has authorized the finance committee and finance director to assign amounts for a specific purpose pursuant to the village's financial management policy. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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 \$3,271,462, or 22%, and is included in unassigned general fund balance.

See Note III. G. for further information.

# VILLAGE OF GERMANTOWN

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

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

---

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

#### **12. Basis for Existing Rates**

##### ***Water Utility***

Current water rates were approved by the Public Service Commission of Wisconsin effective December 15, 2013. 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, 2011.

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## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### **A. EXCESS EXPENDITURES OVER APPROPRIATIONS**

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund	\$ 14,546,975	\$ 14,554,799	\$ 7,824
Debt Service Fund	4,530,721	4,530,891	170
Dental Insurance Fund	85,500	97,920	12,420
Library Fund	2,500	3,743	1,243
Historic Preservation Fund	400	411	11
Library Impact Fee Fund	1,500	1,900	400
TID No. 3 Capital Projects	853,945	2,947,729	2,093,784
TID No. 5 Capital Projects	166,613	1,073,541	906,928

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.

# VILLAGE OF GERMANTOWN

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

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

### ***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 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

## **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	\$ 28,155,353	\$ 28,294,505	Custodial Credit
US agencies - implicitly guaranteed	4,678,726	4,678,726	Credit, Custodial Credit, Concentration of Credit, Interest Rate
US agencies - explicitly guaranteed	3,046,615	3,046,615	Custodial Credit, Interest Rate
US treasuries	985,581	985,581	Custodial Credit, Interest Rate
Municipal bonds	53,020	53,020	Credit, Custodial Credit, Concentration of Credit, Interest Rate
LGIP	5,771,055	5,771,055	Credit
Petty cash	2,190	-	N/A
Total Deposits and Investments	<b>\$ 42,692,540</b>	<b>\$ 42,829,502</b>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 18,619,819		
Restricted cash and investments	771,251		
Per statement of assets and liabilities -			
agency funds			
Agency Fund	23,301,470		
Total Deposits and Investments	<b>\$ 42,692,540</b>		

# VILLAGE OF GERMANTOWN

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

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

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#### A. DEPOSITS AND INVESTMENTS (cont.)

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

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

The village maintains collateral agreements with one of its banks. At December 31, 2013, the bank had pledged various government securities in the amount of \$35,000,000 to secure the village's deposits.

#### ***Custodial Credit Risk***

##### **Deposits**

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

As of December 31, 2013, \$230,664 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	230,644
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##### **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.

As of December 31, 2013, the village's investments were exposed to custodial credit risk as follows:

#### US Agencies - Explicitly Guaranteed

Not registered in the village's name	\$	1,414,066
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#### ***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.

## VILLAGE OF GERMANTOWN

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

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk** (cont.)

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

Local Government Investment Pool

##### **Concentration of Credit Risk**

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

At December 31, 2013, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	US agencies - implicitly guaranteed	18.24%
FNMA	US agencies - implicitly guaranteed	10.40%
FFCB	US agencies - implicitly guaranteed	7.92%
FHLM	US agencies - implicitly guaranteed	6.02%

##### **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, 2013, 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 - implicitly guaranteed	\$ 4,678,726	\$ 120,625	\$ 2,505,730	\$ 2,052,371
US agencies - explicitly guaranteed	3,046,615	359,178	833,235	1,854,202
US treasuries	985,581	386,193	599,388	-
Municipal Bonds	53,020	-	53,020	-
<b>Totals</b>	<b>\$ 8,763,942</b>	<b>\$ 865,996</b>	<b>\$ 3,991,373</b>	<b>\$ 3,906,573</b>

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

**VILLAGE OF GERMANTOWN**

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

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

**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.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 12,480,418	\$ -
Special assessments not yet due	-	43,854
Developer receivable not yet due	-	1,150,000
Accounts receivable due from developer	-	244,546
Parks and recreation	-	4,536
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 12,480,418</u>	 <u>\$ 1,442,936</u>

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long-Term Debt Accounts***

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

***Equipment Replacement Account***

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

**VILLAGE OF GERMANTOWN**

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

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

**C. RESTRICTED ASSETS (cont.)**

***Impact Fee Account***

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

Following is a list of restricted assets at December 31, 2013:

	Restricted Assets
Governmental Activities	
Impact fee accounts	
Cash and investments	\$ 126,084
Accrued interest	376
Business-type Activities	
Sewer equipment replacement account	310,621
Water redemption account	32,740
Water reserve account	90,000
Water depreciation account	45,431
Water impact fees	166,375
Water interest receivable	527
Total	\$ 772,154

**D. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 13,577,807	\$ -	\$ -	\$ 13,577,807
Total Capital Assets Not Being Depreciated	13,577,807	-	-	13,577,807

# VILLAGE OF GERMANTOWN

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

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

### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities (cont.)</b>				
Capital assets being depreciated				
Buildings and improvements	\$ 15,592,107	\$ 301,062	\$ 31,362	\$ 15,861,807
Machinery and equipment	10,262,163	733,168	331,631	10,663,700
Roads	46,794,045	1,250,131	744,122	47,300,054
Storm sewers	20,353,528	178,902	27,451	20,504,979
Street lighting	2,648,616	-	-	2,648,616
Bridges	7,045,005	25,089	-	7,070,094
Total Capital Assets Being Depreciated	102,695,464	2,488,352	1,134,566	104,049,250
Total Capital Assets	116,273,271	2,488,352	1,134,566	117,627,057
Less: Accumulated depreciation for				
Buildings and improvements	(5,955,895)	(466,551)	29,469	(6,392,977)
Machinery and equipment	(6,523,174)	(523,045)	325,495	(6,720,724)
Roads	(14,437,500)	(922,428)	527,900	(14,832,028)
Storm sewers	(9,399,024)	(408,585)	10,431	(9,797,178)
Street lighting	(1,728,428)	(108,527)	-	(1,836,955)
Bridges	(2,365,254)	(139,869)	-	(2,505,123)
Total Accumulated Depreciation	(40,409,275)	(2,569,005)	893,295	(42,084,985)
Net Capital Assets Being Depreciated	62,286,189	(80,653)	241,271	61,964,265
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 75,863,996	\$ (80,653)	\$ 241,271	\$ 75,542,072

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$ 92,380
Public safety	486,315
Public works, which includes the depreciation of infrastructure	1,772,826
Leisure activities	217,484
Total Governmental Activities Depreciation Expense	\$ 2,569,005

## VILLAGE OF GERMANTOWN

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

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

#### D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciation				
Land	\$ 329,753	\$ -	\$ -	\$ 329,753
Construction in progress	-	15,765	-	15,765
Total Capital Assets Not Being Depreciation	<u>329,753</u>	<u>15,765</u>	<u>-</u>	<u>345,518</u>
Capital assets being depreciated				
Buildings and improvements	4,270,646	16,906	-	4,287,552
Machinery and equipment	5,982,722	101,466	40,324	6,043,864
Sewer system	38,512,345	35,401	34,275	38,513,471
Water system	31,199,697	116,329	38,671	31,277,355
Total Capital Assets Being Depreciated	<u>79,965,410</u>	<u>270,102</u>	<u>113,270</u>	<u>80,122,242</u>
Total Capital Assets	<u>80,295,163</u>	<u>285,867</u>	<u>113,270</u>	<u>80,467,760</u>
Less: Accumulated depreciation for				
Buildings and improvements	(548,661)	(124,631)	-	(673,292)
Machinery and equipment	(1,940,576)	(389,407)	40,324	(2,289,659)
Sewer system	(11,113,919)	(405,713)	34,275	(11,485,357)
Water system	(6,912,720)	(557,741)	38,671	(7,431,790)
Total Accumulated Depreciation	<u>(20,515,876)</u>	<u>(1,477,492)</u>	<u>113,270</u>	<u>(21,880,098)</u>
Net Capital Assets Being Depreciated	<u>59,449,534</u>	<u>(1,207,390)</u>	<u>-</u>	<u>58,242,144</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 59,779,287</u>	<u>\$(1,191,625)</u>	<u>\$ -</u>	<u>\$ 58,587,662</u>

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>	
Water	\$ 742,608
Sewer	700,437
Total Business-type Activities Depreciation Expense	\$ 1,443,045

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, 2013

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

***E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS***

***Interfund Receivables/Payables***

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

Receivable Fund	Payable Fund	Amount
General fund	General capital projects	\$ 721,567
General fund	Water utility	576,516
General fund	Sewer utility	3,091
General fund	TID No. 4 capital projects	1,010
Water utility	Sewer utility	60,208
Total - Fund Financial Statements		1,362,392
Less: Fund eliminations		(782,785)
Less: Interfund receivables created with internal service fund eliminations		(85,604)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 494,003
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 579,607
Business-type Activities	Governmental Activities	(85,604)
Total Government-Wide Financial Statements		\$ 494,003

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 amount due to the general fund from the water utility represents the 2013 payment in lieu of tax.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**VILLAGE OF GERMANTOWN**

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

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

***E. INTERFUND RECEIVABLES/PAYABLES (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	Water utility	\$ 574,705	Payment in lieu of taxes
General fund	General capital projects	8,465	Reimbursement of expenses paid
General Fund	Non major governmental funds	130,197	TID fund closeout
Debt service fund	Nonmajor governmental funds	4,673,880	Debt service
Debt service fund	General capital projects	382,629	Debt Service
General capital projects	General fund	<u>104,515</u>	Reimbursement of expenses paid
Total - Fund Financial Statements		5,874,391	
Less: Fund eliminations		<u>(5,299,686)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 574,705</u></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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

# VILLAGE OF GERMANTOWN

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

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

#### **F. LONG-TERM OBLIGATIONS**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 27,511,642	\$ 1,905,000	\$ 3,808,657	\$ 25,607,985	\$ 4,362,985
(Discounts)/Premiums	<u>55,407</u>	<u>-</u>	<u>7,637</u>	<u>47,770</u>	<u>-</u>
Sub-totals	<u>27,567,049</u>	<u>1,905,000</u>	<u>3,816,294</u>	<u>25,655,755</u>	<u>4,362,985</u>
Other Liabilities					
Vested compensated absences	<u>663,313</u>	<u>751,673</u>	<u>728,722</u>	<u>686,264</u>	<u>12,537</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 28,230,362</u>	<u>\$ 2,656,673</u>	<u>\$ 4,545,016</u>	<u>\$ 26,342,019</u>	<u>\$ 4,375,522</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 1,566,328	\$ -	\$ 83,615	\$ 1,482,713	\$ 89,512
Sub-totals	<u>1,566,328</u>	<u>-</u>	<u>83,615</u>	<u>1,482,713</u>	<u>89,512</u>
Other Liabilities					
Vested compensated absences	<u>73,622</u>	<u>88,278</u>	<u>83,491</u>	<u>78,409</u>	<u>2,352</u>
Total Other Liabilities	<u>73,622</u>	<u>88,278</u>	<u>83,491</u>	<u>78,409</u>	<u>2,352</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,639,950</u>	<u>\$ 88,278</u>	<u>\$ 167,106</u>	<u>\$ 1,561,122</u>	<u>\$ 91,864</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, 2013, was \$110,107,775. Total general obligation debt outstanding at year end was \$25,607,985.

#### **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, 2013

**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, 2013
GO Refunding Bonds - TID No. 3	5/1/2003	2015	2.00 - 3.60%	\$ 4,605,000	\$ 1,520,000
GO Refunding Bonds - TID No. 4	6/15/2005	2021	2.80 - 4.00%	2,265,000	1,240,000
GO Refunding Bonds - TID No. 5	6/15/2005	2021	2.80 - 4.00%	845,000	455,000
GO Refunding Bonds - General	6/15/2005	2021	2.80 - 4.00%	2,395,000	1,940,000
Notes	6/15/2005	2015	2.95 - 3.70%	445,000	110,000
Notes	4/15/2006	2016	4.00%	2,520,000	875,000
GO Street Improvement Bond	5/1/2007	2026	4.00 - 4.375%	520,000	410,000
GO Promissory Note	5/1/2007	2016	3.50 - 3.75%	1,290,000	495,000
GO Promissory Note	12/15/2007	2017	3.85%	2,600,000	1,150,000
GO Promissory Note	5/15/2008	2018	3.70%	1,480,000	820,000
STFL - Build America	7/20/2009	2014	3.50%	605,172	127,985
GO Refunding Bonds - TID No. 4	8/6/2009	2018	1.00 - 3.10%	1,545,000	1,545,000
GO Refunding Bonds - TID No. 5	8/6/2009	2018	1.00 - 3.10%	565,000	355,000
GO Refunding Bonds - TID No. 4	3/17/2010	2021	1.20 - 3.15%	3,905,000	3,440,000
GO Promissory Note	3/17/2010	2020	0.90 - 4.25%	1,795,000	1,290,000
GO Promissory Note	5/18/2011	2021	2.00 - 3.00%	2,200,000	1,880,000
GO Refunding Bonds	3/27/2012	2019	0.35 - 1.75%	805,000	695,000
GO Promissory Note	3/27/2012	2022	0.35 - 1.75%	2,370,000	2,320,000
GO Refunding Bonds - TID No. 4	3/27/2012	2021	0.35 - 1.75%	3,085,000	3,035,000
GO Promissory Note	5/8/2013	2023	0.30 - 1.60%	1,905,000	<u>1,905,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 25,607,985</u>

# VILLAGE OF GERMANTOWN

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

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

### *F. LONG-TERM OBLIGATIONS* (cont.)

#### **General Obligation Debt** (cont.)

All or a portion of the TID bonds are noncapital. Financing was used in the TIDs for developer incentives, noncapital site improvements, and purchase of land held for resale.

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	Principal	Interest
2014	\$ 4,362,985	\$ 628,742
2015	4,335,000	501,926
2016	3,645,000	395,083
2017	3,265,000	300,750
2018	3,065,000	217,840
2019-2023	6,815,000	305,243
2024-2026	120,000	10,569
Totals	\$ 25,607,985	\$ 2,360,153

#### **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 5.0% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1,877,605. Principal and interest paid for the current year and total customer gross revenues were \$137,583 and \$2,367,598, respectively.

Revenue debt payable at December 31, 2013, consists of the following:

**VILLAGE OF GERMANTOWN**

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

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

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2013</u>
<u>Water Utility</u>					
Water system revenue bonds	6/15/2005	12/1/2025	3.1 - 4.35%	\$ 1,130,000	\$ 805,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	<u>677,713</u>
Total Business-type Activities - Revenue Debt					<u><u>\$ 1,482,713</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 89,512	\$ 51,258
2015	90,433	48,263
2016	91,378	45,187
2017	97,349	42,004
2018	98,345	38,534
2019-2023	562,627	135,124
2024-2028	401,843	33,839
2029	<u>51,226</u>	<u>683</u>
Totals	<u><u>\$ 1,482,713</u></u>	<u><u>\$ 394,892</u></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.

**Bond Covenant Disclosures**

The following information is provided in compliance with the resolution creating the water revenue bonds:

# VILLAGE OF GERMANTOWN

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

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

### F. LONG-TERM OBLIGATIONS (cont.)

#### *Insurance*

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. 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 village is covered under the following insurance policies at December 31, 2013:

Type	Coverage	Expiration
General Liability	\$ 11,000,000	1/1/2014
Automobile	11,000,000	1/1/2014
Workers Compensation	500,000	1/1/2014
Local Government Property Insurance Fund	46,228,946	1/1/2014

#### *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 2013 as follows:

Operating revenues	\$ 2,322,780
Investment income (loss)	(5,417)
Miscellaneous nonoperating income	50,235
Impact fees	61,244
Less: Operation and maintenance expenses	<u>(1,170,210)</u>
Net Defined Earnings	<u>\$ 1,258,632</u>
Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 85,438
Annual debt service - 2009 revenue bonds	<u>52,145</u>
Subtotal	137,583
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 171,979</u>
Actual Debt Coverage	<u>9.15</u>

# VILLAGE OF GERMANTOWN

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

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

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### **G. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2013, includes the following:

#### **Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 13,577,807
Other capital assets, net of accumulated depreciation	61,964,265
Less: Capital related long-term debt outstanding	<u>(16,152,237)</u>
Total Net Investment in Capital Assets	<u>59,389,835</u>
Restricted	
Impact fees	126,460
Library	138,403
TIF purposes	3,324,991
Debt service	<u>2,474,746</u>
Total Restricted	<u>6,064,600</u>
Unrestricted (deficit)	<u>\$ (1,654,758)</u>
Total Governmental Activities Net Position	<u>\$ 63,799,677</u>

#### **Governmental Funds**

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

<b>Nonspendable</b>	
Major Fund	
General Fund	
Delinquent personal property taxes	\$ 61,440
Prepaid items	<u>5,743</u>
Total	<u>\$ 67,183</u>
<b>Restricted</b>	
Major Funds	
Debt Service Fund	
Debt service	\$ 2,697,292
General Capital Projects	
Unspent proceeds	<u>137,246</u>
Total	<u>\$ 2,834,538</u>

# VILLAGE OF GERMANTOWN

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

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

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### G. NET POSITION/FUND BALANCES (cont.)

#### Governmental Funds (cont.)

##### Nonmajor Funds

Special Revenue Funds	
Police Impact Fee Fund	\$ 28,264
Fire Impact Fee Fund	19,840
Library Impact Fee Fund	18,744
Park and Recreation Impact Fee Fund	59,612
Library Fund	<u>138,403</u>
Sub-Total	<u>264,863</u>

Capital Project Fund  
TID No. 4

3,324,991

Total

\$ 3,589,854

#### Committed

##### Nonmajor Funds

Special Revenue Funds	
Senior Van Replacement Fund	\$ 17,191
Police Asset Forfeiture Fund	8,409
Police Canine Fund	33,004
Historic Preservation Fund	244
Historic Preservation Fund	<u>35,546</u>

Total

\$ 94,394

#### Assigned

##### Major Funds

General Fund	
Payment in lieu of tax	\$ 574,705
Budget carryovers	149,610
Applied to subsequent budget	<u>52,893</u>
Total	<u>777,208</u>

General Capital Projects Fund  
Capital projects

1,023,168

Total

\$ 1,800,376

# VILLAGE OF GERMANTOWN

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

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

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### G. NET POSITION/FUND BALANCES (cont.)

#### Governmental Funds (cont.)

<b>Unassigned</b>	
Major Fund	
General fund	\$ <u>3,271,462</u>
 Total	 \$ <u><u>3,271,462</u></u>
 <b>Business-type Activities</b>	
Net Investment in Capital Assets	
Land	\$ 329,753
Construction in progress	15,765
Other capital assets, net of accumulated depreciation	58,242,144
Less: Long-term debt outstanding	<u>(1,482,713)</u>
Total Net Investment in Capital Assets	<u>57,104,949</u>
 Restricted	
Impact fees	166,902
Debt service	116,923
Equipment replacement	<u>356,052</u>
Total Restricted	<u>639,877</u>
 Unrestricted	 \$ <u>8,005,572</u>
 Total Business-type Activities Net Position	 \$ <u><u>65,750,398</u></u>

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## NOTE IV - OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

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

# VILLAGE OF GERMANTOWN

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

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, 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, 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for village employees covered by the WRS for the year ended December 31, 2013 was \$6,967,296; the employer's total payroll was \$7,380,456. The total required contribution for the year ended December 31, 2013 was \$1,130,627 or 16.2% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending 2012 and 2011 were \$944,585 and \$937,215, 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, 2013 there was no pension related debt for the village.

# VILLAGE OF GERMANTOWN

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

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### NOTE IV - OTHER INFORMATION (cont.)

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

The village joined the Length of Service Award Program (LOSA) in 2007. 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>
2013 current contribution	\$ 4,000
Back years bought for 2013	<u>-</u>
Total Payment Made in January 2014	<u>\$ 4,000</u>

#### **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 \$572,373 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.

# VILLAGE OF GERMANTOWN

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

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### NOTE IV - OTHER INFORMATION (cont.)

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

##### **Self Insurance** (cont.)

##### **Claims Liability**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 4,419	\$ 703
Current year claims and changes in estimates	988,101	1,190,984
Claim payments	<u>(991,817)</u>	<u>(1,166,914)</u>
 Unpaid Claims - End of Year	 <u>\$ 703</u>	 <u>\$ 24,773</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.

The village has active construction projects as of December 31, 2013. 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 April 21, 2014 the village issued general obligation promissory notes in the amount of \$3,710,000 with an interest rate of 1.62%. This amount will be used to refund the 2010 promissory notes outstanding and for road and storm sewer improvements and equipment acquisition.

# VILLAGE OF GERMANTOWN

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

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## **NOTE IV - OTHER INFORMATION** (cont.)

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

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

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

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
General property taxes	\$ 8,689,638	\$ 8,689,638	\$ 8,689,238	\$ (400)
Other taxes	328,000	328,000	365,216	37,216
Special assessments	-	-	4,685	4,685
Intergovernmental	2,177,770	2,198,468	2,249,686	51,218
Regulation and compliance	930,630	930,830	1,033,161	102,331
Public charges for services	1,364,804	1,364,504	1,522,499	157,995
Investment income	20,500	20,500	12,376	(8,124)
Miscellaneous	<u>116,650</u>	<u>116,750</u>	<u>124,896</u>	<u>8,146</u>
Total Revenues	<u>13,627,992</u>	<u>13,648,690</u>	<u>14,001,757</u>	<u>353,067</u>
<b>EXPENDITURES</b>				
General Government				
Village board	158,557	158,557	138,840	19,717
Village administrator	111,880	111,880	111,495	385
Village clerk	222,924	222,924	216,762	6,162
Treasurer/accounting	193,404	193,404	193,857	(453)
Assessor	71,217	71,217	70,145	1,072
Data processing	85,778	85,778	82,237	3,541
General government	79,336	79,336	74,618	4,718
Buildings and ground maintenance	<u>489,246</u>	<u>489,246</u>	<u>451,768</u>	<u>37,478</u>
Total General Government	<u>1,412,342</u>	<u>1,412,342</u>	<u>1,339,722</u>	<u>72,620</u>
Public Safety				
Police protection	4,746,896	4,746,896	4,782,285	(35,389)
Fire protection	1,586,131	1,586,131	1,784,018	(197,887)
Emergency government	13,869	13,869	7,162	6,707
Protective inspections	<u>190,205</u>	<u>190,205</u>	<u>201,025</u>	<u>(10,820)</u>
Total Public Safety	<u>6,537,101</u>	<u>6,537,101</u>	<u>6,774,490</u>	<u>(237,389)</u>
Public Works				
Engineer/director	225,363	225,363	204,583	20,780
Highway and street maintenance and construction	2,770,995	2,770,995	2,764,237	6,758
Solid waste recycling	<u>540,535</u>	<u>551,352</u>	<u>538,146</u>	<u>13,206</u>
Total Public Works	<u>3,536,893</u>	<u>3,547,710</u>	<u>3,506,966</u>	<u>40,744</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (cont.)</b>				
<b>GENERAL GOVERNMENT (cont.)</b>				
Culture and Recreation				
Library	\$ 798,431	\$ 913,879	\$ 848,993	\$ 64,886
Recreation	997,473	997,473	1,029,001	(31,528)
Parks	330,165	330,165	362,720	(32,555)
Senior center	104,741	105,576	100,641	4,935
Total Culture And Recreation	<u>2,230,810</u>	<u>2,347,093</u>	<u>2,341,355</u>	<u>5,738</u>
Conservation and Development				
Planning and zoning	158,914	163,164	153,771	9,393
Municipal development	53,398	97,868	59,790	38,078
Total Conservation And Development	<u>212,312</u>	<u>261,032</u>	<u>213,561</u>	<u>47,471</u>
Capital Outlay	<u>259,134</u>	<u>336,782</u>	<u>274,190</u>	<u>62,592</u>
Total Expenditures	<u>14,188,592</u>	<u>14,442,060</u>	<u>14,450,284</u>	<u>(8,224)</u>
Excess (deficiency) of revenues over expenditures	<u>(560,600)</u>	<u>(793,370)</u>	<u>(448,527)</u>	<u>344,843</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	561,000	569,465	713,367	143,902
Transfers out	(400)	(104,915)	(104,515)	400
Total Other Financing Sources (Uses)	<u>560,600</u>	<u>464,550</u>	<u>608,852</u>	<u>144,302</u>
<b>Net Change in Fund Balance</b>	-	(328,820)	160,325	489,145
FUND BALANCE - Beginning of Year	<u>3,955,528</u>	<u>3,955,528</u>	<u>3,955,528</u>	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,955,528</u>	<u>\$ 3,626,708</u>	<u>\$ 4,115,853</u>	<u>\$ 489,145</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, 2013

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### ***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 \$149,610. 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,869,280	\$ 1,869,280	\$ 1,869,280	\$ -
Intergovernmental	22,069	22,069	19,358	(2,711)
Investment income	2,500	2,500	(4,015)	(6,515)
Total Revenues	<u>1,893,849</u>	<u>1,893,849</u>	<u>1,884,623</u>	<u>(9,226)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,808,657	3,808,657	3,808,657	-
Interest and fiscal charges	<u>722,064</u>	<u>722,064</u>	<u>722,234</u>	<u>(170)</u>
Total Expenditures	<u>4,530,721</u>	<u>4,530,721</u>	<u>4,530,891</u>	<u>(170)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,636,872)</u>	<u>(2,636,872)</u>	<u>(2,646,268)</u>	<u>(9,396)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>2,594,513</u>	<u>2,594,513</u>	<u>5,056,509</u>	<u>2,461,996</u>
Total Other Financing Sources	<u>2,594,513</u>	<u>2,594,513</u>	<u>5,056,509</u>	<u>2,461,996</u>
<b>Net Change in Fund Balance</b>	(42,359)	(42,359)	2,410,241	2,452,600
FUND BALANCE - Beginning of Year	<u>287,051</u>	<u>287,051</u>	<u>287,051</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 244,692</u>	<u>\$ 244,692</u>	<u>\$ 2,697,292</u>	<u>\$ 2,452,600</u>

## **GENERAL CAPITAL PROJECTS FUND**

**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.

## 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Special assessments	\$ 228,905	\$ 228,905	\$ 304,617	\$ 75,712
Intergovernmental	46,578	46,578	92,081	45,503
Investment income	68,456	68,456	67,030	(1,426)
Miscellaneous	-	-	25,452	25,452
Total Revenues	<u>343,939</u>	<u>343,939</u>	<u>489,180</u>	<u>145,241</u>
<b>EXPENDITURES</b>				
Capital outlay	2,221,375	2,666,144	2,486,251	179,893
Debt Service				
Debt issuance costs	-	41,000	35,536	5,464
Total Expenditures	<u>2,221,375</u>	<u>2,707,144</u>	<u>2,521,787</u>	<u>185,357</u>
Excess (deficiency) of revenues over expenditures	<u>(1,877,436)</u>	<u>(2,363,205)</u>	<u>(2,032,607)</u>	<u>330,598</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of general obligation notes	2,150,000	1,900,000	1,905,000	5,000
Transfers in	67,000	104,515	104,515	-
Transfers out	(430,706)	(439,171)	(391,094)	48,077
Total Other Financing Sources (Uses)	<u>1,786,294</u>	<u>1,565,344</u>	<u>1,618,421</u>	<u>53,077</u>
<b>Net Change in Fund Balance</b>	(91,142)	(797,861)	(414,186)	383,675
FUND BALANCE - Beginning of Year	<u>1,574,600</u>	<u>1,574,600</u>	<u>1,574,600</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,483,458</u>	<u>\$ 776,739</u>	<u>\$ 1,160,414</u>	<u>\$ 383,675</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.

## **NONMAJOR GOVERNMENTAL FUNDS (cont.)**

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by the proprietary funds.

**Tax Increment District No. 3** – This fund accounts for the costs of land acquisition and infrastructure improvements related to expanding the industrial park. Financing is provided primarily from general obligation note proceeds. It is anticipated that costs will be recovered by future incremental property taxes.

**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. 5** – This fund accounts for the costs of pollution cleanup and other costs related to redevelopment of an existing shopping mall. 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**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2013

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ -
Receivables			
Taxes receivable	-	-	-
Accrued interest	-	-	-
Restricted Assets	-	-	-
Cash and investments	28,175	19,780	18,691
Interest	<u>89</u>	<u>60</u>	<u>53</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,264</u></b>	<b><u>\$ 19,840</u></b>	<b><u>\$ 18,744</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	28,264	19,840	18,744
Committed	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>28,264</u>	<u>19,840</u>	<u>18,744</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 28,264</u></b>	<b><u>\$ 19,840</u></b>	<b><u>\$ 18,744</u></b>

Special Revenue Funds							Capital Projects Funds
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	TID No. 3 Capital Projects Fund
\$ -	\$ 17,135	\$ 8,378	\$ 33,311	\$ 242	\$ 138,403	\$ 35,441	\$ -
-	-	-	-	-	-	-	-
-	56	31	108	2	-	105	-
-	-	-	-	-	-	-	-
59,438	-	-	-	-	-	-	-
174	-	-	-	-	-	-	-
<u>\$ 59,612</u>	<u>\$ 17,191</u>	<u>\$ 8,409</u>	<u>\$ 33,419</u>	<u>\$ 244</u>	<u>\$ 138,403</u>	<u>\$ 35,546</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 415	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	415	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
59,612	-	-	-	-	138,403	-	-
-	17,191	8,409	33,004	244	-	35,546	-
<u>59,612</u>	<u>17,191</u>	<u>8,409</u>	<u>33,004</u>	<u>244</u>	<u>138,403</u>	<u>35,546</u>	<u>-</u>
<u>\$ 59,612</u>	<u>\$ 17,191</u>	<u>\$ 8,409</u>	<u>\$ 33,419</u>	<u>\$ 244</u>	<u>\$ 138,403</u>	<u>\$ 35,546</u>	<u>\$ -</u>

## VILLAGE OF GERMANTOWN

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2013

	Capital Projects Funds		Total Nonmajor Governmental Funds
	TID No. 4 Capital Projects Fund	TID No. 5 Capital Projects Fund	
<b>ASSETS</b>			
Cash and investments	\$3,334,927	\$ -	\$ 3,567,837
Receivables			
Taxes receivable	1,406,475	-	1,406,475
Accrued interest	6,440	-	6,742
Restricted Assets	-	-	-
Cash and investments	-	-	126,084
Interest	-	-	376
	\$4,747,842	\$ -	\$ 5,107,514
<b>TOTAL ASSETS</b>	<b>\$4,747,842</b>	<b>\$ -</b>	<b>\$ 5,107,514</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 15,366	\$ -	\$ 15,781
Due to other funds	1,010	-	1,010
Total Liabilities	16,376	-	16,791
Deferred Inflows of Resources			
Deferred inflows of resources	1,406,475	-	1,406,475
Total Deferred Inflows of Resources	1,406,475	-	1,406,475
Fund Balances			
Restricted	3,324,991	-	3,589,854
Committed	-	-	94,394
Total Fund Balances	3,324,991	-	3,684,248
	<b>\$4,747,842</b>	<b>\$ -</b>	<b>\$ 5,107,514</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$4,747,842</b>	<b>\$ -</b>	<b>\$ 5,107,514</b>

## VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Public charges for services	10,002	13,619	15,455	40,480
Investment income (loss)	(37)	(119)	10	12
Miscellaneous	-	-	-	-
Total Revenues	<u>9,965</u>	<u>13,500</u>	<u>15,465</u>	<u>40,492</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Conservation and development	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>9,965</u>	<u>13,500</u>	<u>15,465</u>	<u>40,492</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(11,000)</u>	<u>(1,900)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	9,965	2,500	13,565	40,492
FUND BALANCES - Beginning of Year	<u>18,299</u>	<u>17,340</u>	<u>5,179</u>	<u>19,120</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 28,264</u>	<u>\$ 19,840</u>	<u>\$ 18,744</u>	<u>\$ 59,612</u>

Special Revenue Funds						Capital Projects Fund
Senior Van Replacement Fund	Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	TID No. 3 Capital Projects Fund
\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ 1,458,043
-	-	-	-	-	-	21,800
2,123	-	-	-	-	23,633	-
(49)	(9)	31	-	269	(116)	(9,023)
-	5,114	17,448	-	27,306	-	-
<u>2,074</u>	<u>5,105</u>	<u>17,479</u>	<u>400</u>	<u>27,575</u>	<u>23,517</u>	<u>1,470,820</u>
-	2,319	1,676	-	-	-	-
-	-	-	411	3,743	11,761	-
-	-	-	-	-	-	387,084
-	-	-	-	-	-	7,500
-	<u>2,319</u>	<u>1,676</u>	<u>411</u>	<u>3,743</u>	<u>11,761</u>	<u>394,584</u>
<u>2,074</u>	<u>2,786</u>	<u>15,803</u>	<u>(11)</u>	<u>23,832</u>	<u>11,756</u>	<u>1,076,236</u>
-	-	-	-	-	-	(2,553,145)
2,074	2,786	15,803	(11)	23,832	11,756	(1,476,909)
<u>15,117</u>	<u>5,623</u>	<u>17,201</u>	<u>255</u>	<u>114,571</u>	<u>23,790</u>	<u>1,476,909</u>
<u>\$ 17,191</u>	<u>\$ 8,409</u>	<u>\$ 33,004</u>	<u>\$ 244</u>	<u>\$ 138,403</u>	<u>\$ 35,546</u>	<u>\$ -</u>

## VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	Capital Projects Fund		
	TID No. 4 Capital Projects Fund	TID No. 5 Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,207,796	\$ 256,653	\$ 2,922,892
Intergovernmental	50,900	2,339	75,039
Public charges for services	-	-	105,312
Investment income (loss)	2,526	(5,320)	(11,825)
Miscellaneous	-	-	49,868
Total Revenues	1,261,222	253,672	3,141,286
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	3,995
Culture and recreation	-	-	15,915
Conservation and development	82,054	10,135	479,273
Capital Outlay	157,164	7,200	171,864
Total Expenditures	239,218	17,335	671,047
Excess (deficiency) of revenues over expenditures	1,022,004	236,337	2,470,239
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,181,826)	(1,056,206)	(4,804,077)
<b>Net Change in Fund Balances</b>	(159,822)	(819,869)	(2,333,838)
FUND BALANCES - Beginning of Year	3,484,813	819,869	6,018,086
<b>FUND BALANCES - END OF YEAR</b>	\$ 3,324,991	\$ -	\$ 3,684,248

## 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 4,000	\$ 4,000	\$ 10,002	\$ 6,002
Investment income (loss)	50	50	(37)	(87)
Total Revenues	<u>4,050</u>	<u>4,050</u>	<u>9,965</u>	<u>5,915</u>
<b>Net Change in Fund Balance</b>	4,050	4,050	9,965	5,915
FUND BALANCE - Beginning of Year	<u>18,299</u>	<u>18,299</u>	<u>18,299</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,349</u>	<u>\$ 22,349</u>	<u>\$ 28,264</u>	<u>\$ 5,915</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 5,000	\$ 5,000	\$ 13,619	\$ 8,619
Investment income (loss)	10	10	(119)	(129)
Total Revenues	<u>5,010</u>	<u>5,010</u>	<u>13,500</u>	<u>8,490</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(11,000)</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(5,990)	(5,990)	2,500	8,490
FUND BALANCE - Beginning of Year	<u>17,340</u>	<u>17,340</u>	<u>17,340</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 11,350</u>	<u>\$ 11,350</u>	<u>\$ 19,840</u>	<u>\$ 8,490</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 1,000	\$ 1,000	\$ 15,455	\$ 14,455
Investment income	10	10	10	-
Total Revenues	<u>1,010</u>	<u>1,010</u>	<u>15,465</u>	<u>14,455</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,900)</u>	<u>(400)</u>
<b>Net Change in Fund Balance</b>	(490)	(490)	13,565	14,055
FUND BALANCE - Beginning of Year	<u>5,179</u>	<u>5,179</u>	<u>5,179</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,689</u>	<u>\$ 4,689</u>	<u>\$ 18,744</u>	<u>\$ 14,055</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 3,680	\$ 3,680	\$ 40,480	\$ 36,800
Investment income	60	60	12	(48)
Total Revenues	<u>3,740</u>	<u>3,740</u>	<u>40,492</u>	<u>36,752</u>
<b>Net Change in Fund Balance</b>	3,740	3,740	40,492	36,752
FUND BALANCE - Beginning of Year	<u>19,120</u>	<u>19,120</u>	<u>19,120</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,860</u>	<u>\$ 22,860</u>	<u>\$ 59,612</u>	<u>\$ 36,752</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 2,800	\$ 2,800	\$ 2,123	\$ (677)
Investment income (loss)	50	50	(49)	(99)
Total Revenues	<u>2,850</u>	<u>2,850</u>	<u>2,074</u>	<u>(776)</u>
<b>Net Change in Fund Balance</b>	2,850	2,850	2,074	(776)
FUND BALANCE - Beginning of Year	<u>15,117</u>	<u>15,117</u>	<u>15,117</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 17,967</u>	<u>\$ 17,967</u>	<u>\$ 17,191</u>	<u>\$ (776)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income (loss)	\$ 33	\$ 33	\$ (9)	\$ (42)
Miscellaneous	<u>-</u>	<u>-</u>	<u>5,114</u>	<u>5,114</u>
Total Revenues	<u>33</u>	<u>33</u>	<u>5,105</u>	<u>5,072</u>
<b>EXPENDITURES</b>				
Public safety	<u>4,000</u>	<u>4,000</u>	<u>2,319</u>	<u>1,681</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,319</u>	<u>1,681</u>
<b>Net Change in Fund Balance</b>	(3,967)	(3,967)	2,786	6,753
FUND BALANCE - Beginning of Year	<u>5,623</u>	<u>5,623</u>	<u>5,623</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,656</u>	<u>\$ 1,656</u>	<u>\$ 8,409</u>	<u>\$ 6,753</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 70	\$ 70	\$ 31	\$ (39)
Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>17,448</u>	<u>10,448</u>
Total Revenues	<u>7,070</u>	<u>7,070</u>	<u>17,479</u>	<u>10,409</u>
<b>EXPENDITURES</b>				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>1,676</u>	<u>3,324</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,676</u>	<u>3,324</u>
<b>Net Change in Fund Balance</b>	2,070	2,070	15,803	13,733
FUND BALANCE - Beginning of Year	<u>17,201</u>	<u>17,201</u>	<u>17,201</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,271</u>	<u>\$ 19,271</u>	<u>\$ 33,004</u>	<u>\$ 13,733</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 400	\$ 400	\$ 400	\$ -
Total Revenues	<u>400</u>	<u>400</u>	<u>400</u>	<u>-</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>400</u>	<u>400</u>	<u>411</u>	<u>(11)</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>411</u>	<u>(11)</u>
<b>Net Change in Fund Balance</b>	-	-	(11)	(11)
FUND BALANCE - Beginning of Year	<u>255</u>	<u>255</u>	<u>255</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 255</u>	<u>\$ 255</u>	<u>\$ 244</u>	<u>\$ (11)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 300	\$ 300	\$ 269	\$ (31)
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>27,306</u>	<u>22,306</u>
Total Revenues	<u>5,300</u>	<u>5,300</u>	<u>27,575</u>	<u>22,275</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>2,500</u>	<u>2,500</u>	<u>3,743</u>	<u>(1,243)</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>3,743</u>	<u>(1,243)</u>
<b>Net Change in Fund Balance</b>	2,800	2,800	23,832	21,032
FUND BALANCE - Beginning of Year	<u>114,571</u>	<u>114,571</u>	<u>114,571</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 117,371</u>	<u>\$ 117,371</u>	<u>\$ 138,403</u>	<u>\$ 21,032</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public charges for services	\$ 21,000	\$ 21,000	\$ 23,633	\$ 2,633
Investment income (loss)	85	85	(116)	(201)
Total Revenues	<u>21,085</u>	<u>21,085</u>	<u>23,517</u>	<u>2,432</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>16,000</u>	<u>16,000</u>	<u>11,761</u>	<u>4,239</u>
Total Expenditures	<u>16,000</u>	<u>16,000</u>	<u>11,761</u>	<u>4,239</u>
<b>Net Change in Fund Balance</b>	5,085	5,085	11,756	6,671
FUND BALANCE - Beginning of Year	<u>23,790</u>	<u>23,790</u>	<u>23,790</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 28,875</u>	<u>\$ 28,875</u>	<u>\$ 35,546</u>	<u>\$ 6,671</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 3 CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,458,043	\$ 1,458,043	\$ 1,458,043	\$ -
Intergovernmental	18,000	18,000	21,800	3,800
Investment income (loss)	7,000	7,000	(9,023)	(16,023)
<b>Total Revenues</b>	<u>1,483,043</u>	<u>1,483,043</u>	<u>1,470,820</u>	<u>(12,223)</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	-	-	387,084	(387,084)
Capital outlay	<u>1,650</u>	<u>1,650</u>	<u>7,500</u>	<u>(5,850)</u>
<b>Total Expenditures</b>	<u>1,650</u>	<u>1,650</u>	<u>394,584</u>	<u>(392,934)</u>
Excess of revenues over expenditures	<u>1,481,393</u>	<u>1,481,393</u>	<u>1,076,236</u>	<u>(405,157)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(852,295)</u>	<u>(852,295)</u>	<u>(2,553,145)</u>	<u>(1,700,850)</u>
<b>Net Change in Fund Balance</b>	629,098	629,098	(1,476,909)	(2,106,007)
FUND BALANCE - Beginning of Year	<u>1,476,909</u>	<u>1,476,909</u>	<u>1,476,909</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,106,007</u>	<u>\$ 2,106,007</u>	<u>\$ -</u>	<u>\$ (2,106,007)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,207,796	\$ 1,207,796	\$ 1,207,796	\$ -
Intergovernmental	47,000	47,000	50,900	3,900
Investment income	7,000	7,000	2,526	(4,474)
Total Revenues	<u>1,261,796</u>	<u>1,261,796</u>	<u>1,261,222</u>	<u>(574)</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	70,000	70,000	82,054	(12,054)
Capital outlay	<u>268,311</u>	<u>268,311</u>	<u>157,164</u>	<u>111,147</u>
Total Expenditures	<u>338,311</u>	<u>338,311</u>	<u>239,218</u>	<u>99,093</u>
Excess of revenues over expenditures	<u>923,485</u>	<u>923,485</u>	<u>1,022,004</u>	<u>98,519</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,181,826)</u>	<u>(1,181,826)</u>	<u>(1,181,826)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(258,341)	(258,341)	(159,822)	98,519
FUND BALANCE - Beginning of Year	<u>3,484,813</u>	<u>3,484,813</u>	<u>3,484,813</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,226,472</u>	<u>\$ 3,226,472</u>	<u>\$ 3,324,991</u>	<u>\$ 98,519</u>

## VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - TID NO. 5 CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 256,653	\$ 256,653	\$ 256,653	\$ -
Intergovernmental	2,177	2,177	2,339	162
Investment income (loss)	2,700	2,700	(5,320)	(8,020)
Total Revenues	<u>261,530</u>	<u>261,530</u>	<u>253,672</u>	<u>(7,858)</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development	-	-	10,135	(10,135)
Capital outlay	<u>1,350</u>	<u>1,350</u>	<u>7,200</u>	<u>(5,850)</u>
Total Expenditures	<u>1,350</u>	<u>1,350</u>	<u>17,335</u>	<u>(15,985)</u>
Excess of revenues over expenditures	<u>260,180</u>	<u>260,180</u>	<u>236,337</u>	<u>(23,843)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(165,263)</u>	<u>(165,263)</u>	<u>(1,056,206)</u>	<u>(890,943)</u>
Total Other Financing Uses	<u>(165,263)</u>	<u>(165,263)</u>	<u>(1,056,206)</u>	<u>(890,943)</u>
<b>Net Change in Fund Balance</b>	94,917	94,917	(819,869)	(914,786)
FUND BALANCE - Beginning of Year	<u>819,869</u>	<u>819,869</u>	<u>819,869</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 914,786</u>	<u>\$ 914,786</u>	<u>\$ -</u>	<u>\$ (914,786)</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, 2013

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	Health Insurance Fund	Dental Insurance Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 530,097	\$ 65,352	\$ 595,449
Receivables			
Accounts	1,457	79	1,536
Interest	<u>          -</u>	<u>          205</u>	<u>          205</u>
Total Assets	<u>531,554</u>	<u>65,636</u>	<u>597,190</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	<u>16,743</u>	<u>8,074</u>	<u>24,817</u>
Total Liabilities	<u>16,743</u>	<u>8,074</u>	<u>24,817</u>
<b>NET POSITION</b>			
Unrestricted	<u>514,811</u>	<u>57,562</u>	<u>572,373</u>
<b>TOTAL NET POSITION</b>	<u>\$ 514,811</u>	<u>\$ 57,562</u>	<u>\$ 572,373</u>

## VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2013

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Premiums	\$ 1,772,629	\$ 67,874	\$ 1,840,503
Total Operating Revenues	<u>1,772,629</u>	<u>67,874</u>	<u>1,840,503</u>
<b>OPERATING EXPENSES</b>			
General government	<u>1,595,864</u>	<u>97,920</u>	<u>1,693,784</u>
Total Operating Expenses	<u>1,595,864</u>	<u>97,920</u>	<u>1,693,784</u>
Operating Income (Loss)	<u>176,765</u>	<u>(30,046)</u>	<u>146,719</u>
<b>NONOPERATING REVENUES</b>			
Investment income (loss)	<u>(302)</u>	<u>(195)</u>	<u>(497)</u>
Total Nonoperating Revenues	<u>(302)</u>	<u>(195)</u>	<u>(497)</u>
<b>Change in net position</b>	176,463	(30,241)	146,222
NET POSITION - Beginning of Year	<u>338,348</u>	<u>87,803</u>	<u>426,151</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 514,811</u>	<u>\$ 57,562</u>	<u>\$ 572,373</u>

## VILLAGE OF GERMANTOWN

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2013

	Health Insurance Fund	Dental Insurance Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 1,851,184	\$ 67,795	\$ 1,918,979
Paid to suppliers for goods and services	(1,579,165)	(90,549)	(1,669,714)
Net Cash Flows From Operating Activities	272,019	(22,754)	249,265
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (loss)	(33)	(95)	(128)
Net Cash Flows From Investing Activities	(33)	(95)	(128)
<b>Net Change in Cash and Cash Equivalents</b>	271,986	(22,849)	249,137
CASH AND CASH EQUIVALENTS - Beginning of Year	258,111	88,201	346,312
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 530,097	\$ 65,352	\$ 595,449
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 176,765	\$ (30,046)	\$ 146,719
Changes in assets and liabilities			
Accounts receivable	42,302	(79)	42,223
Prepaid items	36,253	-	36,253
Accounts payable	16,699	7,371	24,070
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ 272,019	\$ (22,754)	\$ 249,265
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
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, 2013

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	<u>Balance 1-1-13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-13</u>
<b>TAX COLLECTION FUND</b>				
<b>Assets</b>				
Cash and investments	\$ 23,340,020	\$ 23,301,470	\$ 23,340,020	\$ 23,301,470
Taxes receivable	<u>9,483,294</u>	<u>9,014,513</u>	<u>9,483,294</u>	<u>9,014,513</u>
TOTAL ASSETS	<u>\$ 32,823,314</u>	<u>\$ 32,315,983</u>	<u>\$ 32,823,314</u>	<u>\$ 32,315,983</u>
<b>Liabilities</b>				
Accounts payable	\$ 227,228	\$ 316,216	\$ 227,228	\$ 316,216
Due to other governments	<u>32,596,086</u>	<u>31,999,767</u>	<u>32,596,086</u>	<u>31,999,767</u>
TOTAL LIABILITIES	<u>\$ 32,823,314</u>	<u>\$ 32,315,983</u>	<u>\$ 32,823,314</u>	<u>\$ 32,315,983</u>

# Statistical Section

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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.

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## **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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental activities</b>										
Net Investment in Capital Assets	11,346,524	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
Restricted	312,558	416,490	418,460	274,575	270,559	197,242	206,743	4,503,846	5,969,086	6,064,600
Unrestricted (deficit)	<u>(10,082,677)</u>	<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>
<b>Total governmental activities net assets</b>	<u>1,576,405</u>	<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>
<b>Business-type activities</b>										
Net Investment in Capital Assets	52,831,386	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
Restricted	252,358	331,934	912,566	980,003	791,539	809,221	686,986	624,121	625,311	639,877
Unrestricted	<u>12,141,311</u>	<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>
<b>Total business-type activities net assets</b>	<u>65,225,055</u>	<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>
<b>Primary Government</b>										
Net Investment in Capital Assets	64,177,910	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
Restricted	564,916	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
Unrestricted (deficit)	<u>2,058,634</u>	<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>
<b>Total primary government net assets</b>	<u>66,801,460</u>	<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>

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

Table 2

<b>Expenses</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Governmental activities</b>										
General government	1,555,242	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
Public safety	5,369,421	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
Public works	2,882,269	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
Culture and recreation	1,874,447	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
Conservation and development	211,065	274,927	341,906	414,328	689,757	343,793	308,014	269,046	254,211	757,450
Interest & Fiscal charges	1,720,602	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
<b>Total governmental activities expense</b>	<b>13,613,046</b>	<b>14,703,754</b>	<b>15,031,178</b>	<b>17,344,384</b>	<b>19,077,529</b>	<b>17,337,702</b>	<b>17,577,325</b>	<b>18,042,783</b>	<b>18,121,653</b>	<b>19,054,542</b>
<b>Business-type activities</b>										
Water	1,373,247	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
Wastewater	3,562,230	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
<b>Total business-type activities expenses</b>	<b>4,935,477</b>	<b>6,219,054</b>	<b>6,610,957</b>	<b>6,347,433</b>	<b>7,039,265</b>	<b>6,401,150</b>	<b>6,830,661</b>	<b>7,048,244</b>	<b>7,455,751</b>	<b>7,505,884</b>
<b>Total primary government expenses</b>	<b>18,548,523</b>	<b>20,922,808</b>	<b>21,642,135</b>	<b>23,691,817</b>	<b>26,116,794</b>	<b>23,738,852</b>	<b>24,407,986</b>	<b>25,091,027</b>	<b>25,577,404</b>	<b>26,560,426</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for Services										
General government	192,411	211,804	233,533	204,502	263,333	265,483	279,204	266,974	310,657	312,260
Public safety	688,114	928,391	758,944	786,486	877,071	719,415	731,949	828,539	960,015	1,052,083
Public works	197,641	176,806	207,661	286,385	249,199	190,342	166,902	242,763	252,638	271,587
Culture and recreation	319,599	351,716	391,106	550,741	787,828	839,153	926,718	887,803	923,857	939,005
Conservation and development	24,884	19,145	10,788	16,619	14,638	8,562	7,973	8,487	14,578	13,808
Operating grants and contributions	1,403,007	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
Capital grants and contributions	1,407,101	811,953	2,283,484	262,821	2,468,296	617,381	370,030	65,370	536,093	86,063
<b>Total governmental activities program revenues</b>	<b>4,232,757</b>	<b>4,042,072</b>	<b>5,447,525</b>	<b>3,513,784</b>	<b>6,123,672</b>	<b>4,071,242</b>	<b>3,948,844</b>	<b>3,890,762</b>	<b>4,425,234</b>	<b>4,133,700</b>
<b>Business-type activities</b>										
Charges for services:										
Water and Wastewater	5,194,592	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
Capital Grants and contributions	1,124,030	1,777,058	1,840,802	1,429,684	1,721,377	956,876	432,757	579,958	381,262	118,335
<b>Total business-type activities program revenues</b>	<b>6,318,622</b>	<b>6,865,806</b>	<b>6,952,259</b>	<b>6,723,673</b>	<b>7,028,235</b>	<b>6,310,178</b>	<b>6,239,235</b>	<b>7,192,586</b>	<b>8,339,442</b>	<b>8,300,051</b>
<b>Total primary government program revenues</b>	<b>10,551,379</b>	<b>10,907,878</b>	<b>12,399,784</b>	<b>10,237,457</b>	<b>13,151,907</b>	<b>10,381,420</b>	<b>10,188,079</b>	<b>11,083,348</b>	<b>12,764,676</b>	<b>12,433,751</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(9,380,289)	(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)
Business-type Activities	1,383,145	646,752	341,302	376,240	(11,030)	(90,972)	(591,426)	144,342	883,691	794,167
<b>Total Primary government net expense</b>	<b>(7,997,144)</b>	<b>(10,014,930)</b>	<b>(9,242,351)</b>	<b>(13,454,360)</b>	<b>(12,964,887)</b>	<b>(13,357,432)</b>	<b>(14,219,907)</b>	<b>(14,007,679)</b>	<b>(12,812,728)</b>	<b>(14,126,675)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes	10,503,547	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
Intergovernmental revenues	816,601	815,600	764,356	745,847	721,801	1,006,788	987,881	971,494	1,027,432	1,001,520
Investment income	174,538	420,016	744,941	780,428	515,428	143,110	111,559	151,222	126,365	65,225
Other	732,503	535,523	313,916	549,603	701,768	355,390	399,508	893,020	1,178,751	341,198
<b>Total Government Activities</b>	<b>12,227,189</b>	<b>12,735,537</b>	<b>13,162,791</b>	<b>14,045,665</b>	<b>14,351,150</b>	<b>14,381,460</b>	<b>14,987,069</b>	<b>15,773,038</b>	<b>16,048,922</b>	<b>15,252,910</b>
<b>Business-type Activities:</b>										
Investment Income (Loss)	142,265	313,104	477,402	439,874	276,937	55,558	58,934	29,376	14,138	(738)
Other	-	-	7,194	4,246	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>142,265</b>	<b>313,104</b>	<b>484,596</b>	<b>444,120</b>	<b>276,937</b>	<b>55,558</b>	<b>58,934</b>	<b>29,376</b>	<b>14,138</b>	<b>(738)</b>
<b>Total Primary Government</b>	<b>12,369,454</b>	<b>13,048,641</b>	<b>13,647,387</b>	<b>14,489,785</b>	<b>14,628,087</b>	<b>14,437,018</b>	<b>15,046,003</b>	<b>15,802,414</b>	<b>16,063,060</b>	<b>15,252,172</b>
<b>Change in Net Position</b>										
Governmental Activities	2,846,900	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
Business-type Activities	1,525,410	959,856	825,898	393,505	(180,852)	(519,849)	(1,066,139)	(375,236)	318,159	218,724
<b>Total Primary Government</b>	<b>4,372,310</b>	<b>3,033,711</b>	<b>4,405,036</b>	<b>1,035,425</b>	<b>1,663,200</b>	<b>1,079,586</b>	<b>826,096</b>	<b>1,794,735</b>	<b>3,250,332</b>	<b>1,125,497</b>

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

Table 3

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund										
Reserved for:										
Non-current receivables	87,722	31,385	72,297	53,389	78,841	88,735	99,505	-	-	-
Payment in lieu of taxes	435,938	420,615	397,051	426,855	446,759	484,435	533,647	-	-	-
Designated for carryovers	-	-	-	-	-	-	91,263	-	-	-
Undesignated	1,651,294	1,499,601	1,351,728	1,274,521	919,250	1,277,719	1,817,020	-	-	-
Nonspendable	-	-	-	-	-	-	-	65,937	54,782	67,183
Assigned - payment in lieu of taxes	-	-	-	-	-	-	-	548,954	579,670	574,705
Assigned - carryovers	-	-	-	-	-	-	-	254,097	328,036	202,503
Unassigned	-	-	-	-	-	-	-	2,385,601	2,993,040	3,271,462
<b>Total general fund</b>	<b><u>2,174,954</u></b>	<b><u>1,951,601</u></b>	<b><u>1,821,076</u></b>	<b><u>1,754,765</u></b>	<b><u>1,444,850</u></b>	<b><u>1,850,889</u></b>	<b><u>2,541,435</u></b>	<b><u>3,254,589</u></b>	<b><u>3,955,528</u></b>	<b><u>4,115,853</u></b>
All Other Governmental Funds										
Reserved for:										
Debt Service Fund	456,158	270,456	96,166	91,956	(160,612)	40,002	233,960	-	-	-
Impact fees	312,558	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	82,219	128,475	131,510	156,964	141,272	144,210	144,403	-	-	-
Capital projects funds	7,597,121	7,976,433	8,983,241	10,721,714	6,328,402	5,271,241	5,087,893	-	-	-
Nonspendable	-	-	-	-	-	-	-	613,074	-	-
Restricted	-	-	-	-	-	-	-	5,357,194	7,022,469	6,424,392
Committed	-	-	-	-	-	-	-	51,544	61,986	94,394
Assigned	-	-	-	-	-	-	-	1,079,892	795,282	1,023,168
<b>Total all other governmental funds</b>	<b><u>8,448,056</u></b>	<b><u>8,755,253</u></b>	<b><u>9,600,697</u></b>	<b><u>11,140,838</u></b>	<b><u>6,473,945</u></b>	<b><u>5,544,484</u></b>	<b><u>5,564,021</u></b>	<b><u>7,101,704</u></b>	<b><u>7,879,737</u></b>	<b><u>7,541,954</u></b>
<b>Total fund balance, governmental funds</b>	<b><u>10,623,010</u></b>	<b><u>10,706,854</u></b>	<b><u>11,421,773</u></b>	<b><u>12,895,603</u></b>	<b><u>7,918,795</u></b>	<b><u>7,395,373</u></b>	<b><u>8,105,456</u></b>	<b><u>10,356,293</u></b>	<b><u>11,835,265</u></b>	<b><u>11,657,807</u></b>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>										
Taxes	10,506,625	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
Special Assessments	121,386	58,423	42,981	41,197	360,183	314,115	263,451	284,381	288,768	309,302
Intergovernmental	2,154,831	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
Regulation and compliance	832,182	942,782	815,177	879,076	1,001,331	808,421	813,443	913,636	1,019,889	1,033,161
Public charges for services	665,898	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
Interdepartmental charges	15,166	55,527	47,879	47,507	49,819	61,995	53,000	95,000	-	-
Interest income	175,714	417,500	738,942	768,997	508,194	148,150	106,457	148,577	125,851	63,566
Miscellaneous	<u>1,514,008</u>	<u>660,073</u>	<u>199,944</u>	<u>318,030</u>	<u>230,299</u>	<u>244,627</u>	<u>249,299</u>	<u>886,517</u>	<u>2,007,897</u>	<u>200,216</u>
Total Revenues	<u>15,985,810</u>	<u>16,612,093</u>	<u>16,265,475</u>	<u>17,106,686</u>	<u>17,882,294</u>	<u>18,052,996</u>	<u>18,865,891</u>	<u>19,955,021</u>	<u>21,058,900</u>	<u>19,516,846</u>
<b>Expenditures</b>										
General Government	1,305,209	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
Public Safety	5,031,800	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
Public Works	2,450,913	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
Culture and recreation	1,603,563	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
Conservation and development	192,877	195,938	259,997	208,872	234,035	222,248	207,684	199,172	187,562	692,834
Capital Outlay	1,828,311	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
Debt Service										
Principal retirement	2,895,000	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
Interest and fiscal charges	1,871,891	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
Debt issuance costs	<u>55,620</u>	<u>75,054</u>	<u>37,625</u>	<u>83,873</u>	<u>5,384</u>	<u>50,656</u>	<u>100,434</u>	<u>44,039</u>	<u>80,370</u>	<u>35,536</u>
Total Expenditures	<u>17,235,184</u>	<u>17,373,238</u>	<u>18,652,347</u>	<u>20,808,850</u>	<u>25,164,301</u>	<u>24,496,565</u>	<u>20,474,316</u>	<u>20,537,024</u>	<u>23,333,115</u>	<u>22,174,009</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,249,374)</u>	<u>(761,145)</u>	<u>(2,386,872)</u>	<u>(3,702,164)</u>	<u>(7,282,007)</u>	<u>(6,443,569)</u>	<u>(1,608,425)</u>	<u>(582,003)</u>	<u>(2,274,215)</u>	<u>(2,657,163)</u>
<b>Other Financing Sources (Uses):</b>										
Proceeds from the sale of land	-	-	103,990	334,080	363,940	-	-	-	-	-
Long-term debt issued	5,995,000	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
Refunding debt issues	-	5,505,000	-	-	-	3,740,000	3,905,000	-	3,890,000	-
Premium on long-term debt	-	57,148	39,705	5,059	-	-	3,740	83,886	-	-
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	(5,762,180)	(5,582,774)	-	-	-	-	(3,918,339)	-	(3,086,483)	-
Transfers In	3,401,628	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
Transfers Out	<u>(2,973,666)</u>	<u>(3,908,458)</u>	<u>(5,043,205)</u>	<u>(3,776,734)</u>	<u>(3,827,903)</u>	<u>(3,794,538)</u>	<u>(4,276,986)</u>	<u>(4,395,049)</u>	<u>(4,377,360)</u>	<u>(5,299,686)</u>
Total Other Financing Sources (Uses)	<u>660,782</u>	<u>844,989</u>	<u>3,101,791</u>	<u>5,175,994</u>	<u>2,305,199</u>	<u>5,919,607</u>	<u>2,319,048</u>	<u>2,832,840</u>	<u>3,753,187</u>	<u>2,479,705</u>
<b>Net Change in Fund Balances</b>	<u>(588,592)</u>	<u>83,844</u>	<u>714,919</u>	<u>1,473,830</u>	<u>(4,976,808)</u>	<u>(523,962)</u>	<u>710,623</u>	<u>2,250,837</u>	<u>1,478,972</u>	<u>(177,458)</u>
Debt Service as a percentage of noncapital expenditures	30.94%	29.12%	31.34%	30.42%	30.06%	42.07%	28.03%	27.07%	30.31%	23.55%

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

**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		
2004	1,620,572,800	1,855,167,500	44,829,800	51,832,300	1,665,402,600	1,906,999,800	0.533	87.33%
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	4.607	111.45%

*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	
2004	4.17	1.15	0.01	5.33	12.07	3.74	2.22	0.23	23.59
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

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

**Village of Germantown, Wisconsin**

Table 6

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

- 1 The Schools rate reflects the composite tax 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>	2013		2004	
	<u>Estimated Equalized Value <sub>1</sub></u>	<u>Percentage Village's Total Equalized Value</u>	<u>Taxable Equalized Value</u>	<u>Percentage Village's Total Equalized Value</u>
The Gables of Germantown LLC	19,768,800	0.90%		
Meridian Germantown LLC	17,278,600	0.78%		
Cambridge Major Laboratories	15,360,800	0.70%		
Sentinel Germantown	15,353,800	0.70%		
Stonehedge Properties	13,292,800	0.60%	11,831,000	0.62%
Gehls Guernsey Farms	13,256,400	0.60%		
Phylmack LLC	13,105,200	0.60%		
Waste Management	12,972,000	0.59%		
Menard's	10,629,000	0.48%		
Compass Properties	9,900,400	0.45%		
Germantown Market Place			11,096,980	0.58%
Mequon Pilgrim LLC			10,549,450	0.55%
FRED-Ashbury Woods			8,380,470	0.44%
Ability One Corp			7,649,300	0.40%
American Real Estate			7,216,300	0.38%
Advanced Healthcare			6,735,350	0.35%
Moldmakers LSG			6,459,600	0.34%
RC Apartments			6,511,000	0.34%
Mills Properties			6,111,800	0.32%
<b>Total</b>	<b>\$140,917,800</b>	<b>6.40%</b>	<b>\$82,541,250</b>	<b>4.33%</b>

Source:

*Village of Germantown Finance Department, Assessors Department and Village records*

*<sub>1</sub> Estimated by dividing the assessed values by the ratio of assessed to equalized value for the Village Comprehensive Financial Report 2003, Final Official Statements May 5, 2013*

a) Total Equalized Value January 1, 2013 = \$ 2,202,155,500  
 b) Total Equalized Value January 1, 2004 = \$ 1,906,999,800

**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 <sup>1</sup>		Collection in Subsequent Years <sup>2</sup>	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%	**		

\*\* 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.

<sup>1</sup> The amount shown is net of the State Tax Credit

<sup>2</sup> 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	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
Water and Sewer										
Number of Water Customers	5,286	5,273	5,355	5,426	5,469	5,479	5,510	5,238	5255	5311
Average Daily Water Consumption (gallons)	1,550,942	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
Number of Wastewater Customers	5,468	5,542	5,619	5,685	5,727	5,744	5,770	5,497	5511	5552

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

Table 10

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
Number of customers										
Residential	4,467	4,468	4,537	4,595	4,628	4,636	4,663	4,670	4685	4727
Res - Multi-Family*										107
Commercial	765	759	772	785	801	802	802	523	528	432
Industrial	26	27	27	27	21	21	21	21	22	22
Public	19	19	19	19	19	20	24	24	20	23
<b>Total</b>	<b>5,277</b>	<b>5,273</b>	<b>5,355</b>	<b>5,426</b>	<b>5,469</b>	<b>5,479</b>	<b>5,510</b>	<b>5,238</b>	<b>5,255</b>	<b>5,311</b>
Gallons (thousands)										
Residential	308,991	332,797	312,186	312,443	306,127	301,575	281,134	281,405	314,016	278,289
Res - Multi-Family*										49,595
Commercial	145,271	48,562	147,232	167,068	168,601	177,733	170,811	180,989	176,460	119,599
Industrial	98,128	38,176	43,435	44,493	36,936	34,067	43,368	47,300	53,276	181,544
Public	11,847	11,016	8,910	10,248	10,774	11,231	9,928	10,080	9,702	9,373
<b>Total</b>	<b>564,237</b>	<b>430,551</b>	<b>511,763</b>	<b>534,252</b>	<b>522,438</b>	<b>524,606</b>	<b>505,241</b>	<b>519,774</b>	<b>553,454</b>	<b>638,400</b>

\* 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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Metered Service</b>						*	**			***
Quarterly Service Charge										
5/8 inch meter	\$11.00	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83
3/4 inch meter	\$11.00	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40	14.40	14.83
1 inch meter	\$17.00	\$22.50	\$22.50	\$22.50	\$22.50	\$23.18	\$24.00	24.00	24.00	24.72
1 1/4 inch meter	\$20.00	\$30.75	\$30.75	\$30.75	\$30.75	\$31.67	\$33.00	33.00	33.00	33.99
1 1/2 inch meter	\$35.00	\$39.00	\$39.00	\$39.00	\$39.00	\$40.17	\$42.00	42.00	42.00	43.26
2 inch meter	\$50.00	\$60.00	\$60.00	\$60.00	\$60.00	\$61.80	\$63.00	63.00	63.00	64.89
3 inch meter	\$75.00	\$99.00	\$99.00	\$99.00	\$99.00	\$101.97	\$105.00	105.00	105.00	108.15
4 inch meter	\$130.00	\$156.00	\$156.00	\$156.00	\$156.00	\$160.68	\$162.00	162.00	162.00	166.86
6 inch meter	\$200.00	\$288.00	\$288.00	\$288.00	\$288.00	\$296.64	\$300.00	300.00	300.00	309.00
8 inch meter	\$220.00	\$444.00	\$444.00	\$444.00	\$444.00	\$457.32	\$462.00	462.00	462.00	475.86
10 inch meter	\$300.00	\$648.00	\$648.00	\$648.00	\$648.00	\$667.44	\$675.00	675.00	675.00	695.25
12 inch meter	\$400.00	\$855.00	\$855.00	\$855.00	\$855.00	\$880.65	\$891.00	891.00	891.00	917.73
Volume rate (per 1,000 gallons)										
First 100,000 gallons	\$1.69	\$1.94	\$1.94	\$1.94	\$1.94	\$2.00	\$2.16	\$2.16	\$2.16	\$2.22
Next 900,000 gallons	\$1.47	\$1.65	\$1.65	\$1.65	\$1.65	\$1.70	\$1.75	\$1.75	\$1.75	\$1.91
Over 1,000,000 gallons	\$1.29	\$1.42	\$1.42	\$1.42	\$1.42	\$1.46	\$1.57	\$1.57	\$1.57	\$1.62
<b>Public Fire Protection</b>										
Annual service charge to the Village of Germantown	\$478,204	\$489,825	\$491,824	\$491,824	\$491,824	\$506,579	\$506,579	\$506,579	\$506,579	\$521,776
<b>Private Fire Protection</b>										
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

Source: Village of Germantown Utility Records

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

Table 12

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
Number of customers										
Residential	4,157	4,227	4,294	4,348	4,380	4,389	4,412	4,419	4,432	4,473
Commercial	1,264	1,268	1,278	1,290	1,301	1,308	1,308	1,028	1,027	1,026
Industrial	27	27	27	27	26	27	29	29	31	32
Public	20	20	20	20	20	20	21	21	21	21
<b>Total</b>	<b>5,468</b>	<b>5,542</b>	<b>5,619</b>	<b>5,685</b>	<b>5,727</b>	<b>5,744</b>	<b>5,770</b>	<b>5,497</b>	<b>5,511</b>	<b>5,552</b>
Gallons (thousands)										
Residential	294,627	347,552	297,732	297,855	291,335	296,805	266,797	268,106	298,742	263,821
Commercial	154,331	153,683	150,343	159,093	160,627	168,260	165,434	174,766	171,901	159,206
Industrial	191,849	129,021	132,347	144,392	138,293	117,070	142,091	160,703	194,685	216,399
Public	10,880	9,115	8,130	9,095	9,237	9,666	7,953	7,893	7,368	7,264
<b>Total</b>	<b>651,687</b>	<b>639,371</b>	<b>588,552</b>	<b>610,435</b>	<b>599,492</b>	<b>591,801</b>	<b>582,275</b>	<b>611,468</b>	<b>672,696</b>	<b>646,690</b>

Source: Village of Germantown Utility Records

\*2011 - A decrease in # of customers is due to a change in reporting directed by the Wisconsin Public Service Commission. A Condominium complex in the Village is currently individually billed even though the consumption of water is based off of a singler 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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Metered Service</b>						*	**	***	****	
Quarterly Service Charge										
5/8 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37
3/4 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	\$36.37	\$36.37
1 inch meter	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$46.25	\$50.88	\$58.51	\$67.29	\$67.29
1 1/2 inch meter	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$63.75	\$70.13	\$80.65	\$92.75	\$92.75
2 inch meter	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00	\$82.50	\$90.75	\$104.36	\$120.01	\$120.01
3 inch meter	\$101.00	\$101.00	\$101.00	\$101.00	\$101.00	\$126.25	\$138.88	\$159.71	\$183.67	\$183.67
4 inch meter	\$181.00	\$181.00	\$181.00	\$181.00	\$181.00	\$226.25	\$248.88	\$286.21	\$329.14	\$329.14
6 inch meter	\$296.00	\$296.00	\$296.00	\$296.00	\$296.00	\$370.00	\$407.00	\$468.05	\$538.26	\$538.26
Volume rate (per 1,000 gallons)										
All Classes	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32					
Residential Only						\$4.32	\$4.752	\$5.465	\$6.285	\$6.285
Commercial, Industrial, Public						\$5.40	\$5.940	\$6.831	\$7.856	\$7.856
<b>General Unmetered Service</b>										
Flat rate	\$96.68	\$96.68	\$96.68	\$96.68	\$96.68	\$101.68	\$111.85	\$128.63	\$147.93	\$147.93
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 6/15/11

\*\*\*\* 15% Rate Increase effective 12/15/11

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			
2004	19,980,000	7,775,000	13,776,656	764,000	-	-	42,295,656	8.66%	\$1,627
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	16,059,593	251,642	1,566,328	-	29,022,563	4.10%	\$811
2013	410,000	10,845,000	14,272,770	127,985	1,482,713	-	27,138,468	3.84%	\$760

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

<b>Fiscal Year Ended December 31,</b>	<u>General Bonded Debt Outstanding</u>			<b>Percentage of Long -Term Debt to Equalized Value</b>	<b>Equalized Valuation</b>	<b>Net Long-term Debt per Population</b>	<b>Population</b>
	<b>General Obligation Bonds</b>	<b>Refunding Bonds</b>	<b>Total</b>				
2004	19,980,000	13,776,656	33,756,656	1.77%	1,906,999,800	1,777	19,001
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

*Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.  
 Population 2011 as current 2010 census, 2003 - 2009 population figure is an estimate, year 2002 as 2000 Census  
 U.S. Census Bureau, factfinder, Germantown village, Wisconsin and Washington County Workforce Profile, 2011  
 2012 estimate as per Official Statement April 5, 2013*

**Village of Germantown, Wisconsin**  
*Direct and Overlapping Governmental Activities Debt*  
*As of December 31, 2013*

Table 16

<u>Governmental Unit</u>	<u>2013 Equalized Value</u>	<u>Debt Outstanding</u>	<u>Village EV Percentage of District</u>	<u>Village Proportionate Share</u>
Milwaukee Area Technical College	70,216,764,673	83,120,000	3.1362% <sup>1</sup>	2,606,809
Germantown School District	2,934,151,924	5,737,000	75.0525%	4,305,762
Washington County	<u>12,619,779,200</u>	<u>17,120,000</u>	17.4500%	<u>2,987,440</u>
Subtotal, overlapping debt	85,770,695,797	105,977,000	0.45% <sup>2</sup>	9,900,011
Village Direct Debt	2,202,155,500	<u>25,655,755</u>	100.000%	<u>25,655,755</u>
Village Debt to Equalized Value		131,632,755	1.17% <sup>3</sup>	
Total Direct and overlapping debt				35,555,766
Debt Per Capita Village General Obligation Debt				1,295.03 <sup>4</sup>
Debt Per Capita Village Share of Overlapping Debt				<u>499.72</u>
				1,794.75

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

<sup>1</sup> *Percentage of village equalized value to district equalized value.*

<sup>2</sup> *Percentage of village overlapping debt outstanding to village equalized value*

<sup>3</sup> *Percentage of village outstanding debt to village equalized*

<sup>4</sup> *Population 2013 estimate 19,811, debt per capita, April 11, 2014 Official Statement*

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

Table 17

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Legal Debt Margin calculations for Fiscal Year 2013									
	2013 Equalized Valuation									
	Debt Limit (5% of current equalized value)									
										\$2,202,155,500
										\$110,107,775
	Debt applicable to limit - General obligation bonds									
	Legal Debt margin									
										\$110,107,775
<b>Statutory Debt Limit</b>	\$95,349,990	\$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
<b>Total Net Debt Applicable to limit</b>	\$41,720,000	\$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
<b>Unused Debt Limit</b>	\$53,629,990	\$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
<b>Total Net Debt Applicable to the limit as a percentage of debt limit</b>	43.75%	38.15%	34.18%	32.48%	29.41%	27.03%	26.08%	24.86%	24.47%	23.26%

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			
2004	5,336,857	3,910,646	1,426,211	-	-	-	\$ -	0.00
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

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

<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (thous)</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2004	19,001	\$488,212	\$25.694	37.3	3,676	4.50%
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%

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*

*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 2012 American Community Survey*

**Village of Germantown, Wisconsin**

Table 20

*Principal Employers*<sup>3</sup>  
*Current Year and Nine Years Ago*

Employer	2013			2004		
	<sup>2</sup> Employees	Rank	Percentage of Total Village Population	<sup>1</sup> Employees	Rank	Percentage of Total Village Population
Germantown School District	435	4	2.20%	505	1	2.67%
Walmart Supercenter	230	9	1.16%			
David Frank Landscape	300	6	1.51%			
GKN Sintered Metals			0.00%	400	2	2.12%
Village of Germantown	328	5	1.66%			
Rock - Tenn (prev. Smurfit)			0.00%	200	4	1.06%
J.W. Speaker Company				170	8	0.90%
Airgas Corporation				200	5	1.06%
Gehl's Guernsey Farms	225	10	1.14%			
Moldmakers	300	7	1.51%			
Pick n Save				150	10	0.79%
Statistical Plastics	300	8	1.51%			
Milwaukee Seasoning				160	9	0.85%
Techstar Mfg	500	3		300	3	1.59%
MGS Mfg	600	1		200	6	1.06%
Ellsworth Adhesives	501	2	2.53%	187	7	0.99%
<b>Total</b>	<b>3,719</b>		<b>18.78%</b>	<b>2472</b>		<b>13.09%</b>

4

4

Source:

<sup>1</sup> Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated August 2, 2004

<sup>2</sup> Taken from Final Official Statement for General Obligation Notes, Dated April 11, 2014  
 Reference USA, written and telephone survey ( March 2014), Wisconsin Register, and the Wisconsin Department of Workforce Development

<sup>3</sup> Includes full-time, part-time and seasonal employment

<sup>4</sup> Village of Germantown 2010 US Census population 19,749 and a current estimated population of 19,803  
 Census 2000, demographic profile 18,260, estimate 2003 18,890

**Village of Germantown, Wisconsin**

Table 21

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	7.30	7.30	7.30	7.20	7.20	5.70	5.70	5.70	5.70	5.70
Public Safety	60.10	59.35	59.35	59.35	59.35	57.35	57.35	57.35	57.35	57.35
Public Works	18.96	16.96	17.01	17.16	17.16	17.16	17.16	17.16	17.16	17.16
Culture & Recreation	19.95	20.62	20.62	22.12	24.12	23.12	23.12	23.12	23.12	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	8.10	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>7.84</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>	<u>7.04</u>
Total	124.15	122.07	122.12	123.67	125.67	119.57	119.57	119.57	119.57	119.95

Source: Village of Germantown Department Directors, count equals regular full time and part time, 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Number of Sworn Officers	30	30	31	31	31	31	31	31	31	31
Number of Citations	2,479	2,537	2,441	2,122	2,539	2,453	2,823	2,682	3,207	3,150
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	40	36	35	35	35	35	35	35	35	35
Public Works										
Street Surfacing (miles)	0	7.81	4.41	6.00	3.65	3.27	2.34	3.89	5.39	2.77
Asphalt Repairs (miles)	0.33	3.29	2.79	0.75	0.25	0.00	0.25	0.45	0.95	0.10
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Acerage	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5	514.5
Library										
Volumes in Collection	109,499	114,225	122,979	129,442	139,314	146,685	159,589	176,121	174,269	175,186
Water and Sewer										
Number of Water Customers	5,286	5,273	5,355	5,426	5,469	5,479	5,510	5,238	5,255	5,311
Average Daily Water Consumption (gallons)	1,550,942	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
Number of Sewer Customers	5,468	5,542	5,619	5,685	5,727	5,744	5,770	5,497	5,511	5,552

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

Table 23

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	124.49	124.92	129.75	129.75	129.96	129.96	129.96	129.30	129.58	129.58
Sidewalks (miles)			18.00	19.00	19.45	19.45	19.66	19.76	19.76	20.38
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	6	6	6	6	7	7	7	7	7
Tennis Courts	13	13	13	13	13	13	13	13	13	13
Spraygrounds	0	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)	83.90	85.08	86.95	88.20	88.20	88.55	88.38	88.99	89.152	89.074
Fire Hydrants	1,073	1,086	1,107	1,125	1,125	1,130	1,133	1,142	1,301	1,301
Sewer										
Sanitary Sewer (miles)	84.69	84.69	87.02	88.41	89.05	89.05	89.34	89.50	90.09	90.09

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