

VILLAGE OF GERMANTOWN, WI

Comprehensive Annual Financial Report

Fiscal Year ending December 31, 2011



Prepared by the Village Administrator and Finance Director

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
VILLAGE OF GERMANTOWN, WISCONSIN**

As of and for the Year Ended December 31, 2011

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

June 25, 2012

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, 2011, 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 the Village's 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 unqualified opinion on the Village's financial statements for the year ended December 31, 2011. 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, the Village encompasses 34 square miles in the southeast corner of Washington County. At 34 square miles, the Village 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. 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 Village employees.

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 (67.155% of equalized value in 2011) but it has a sizeable commercial (21.7%) and manufacturing (7.958%) presence also. Although there were few housing starts in the village in the past year we anticipate the tax base to remain stable in the near term due to some commercial growth and development in the Business Park located in our TIF #4 District. 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.

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 and Ellsworth Adhesives, and the guaranteed development of a major industrial facility, Bradley Corporation.

Non-TID activity includes some smaller commercial developments such as Panda Express, Carpet Warehouse and Super Lube, although small, these developments impact our equalized value positively and create additional retail choices for our citizens.

Germantown has continued, for three surveys in a row, to be ranked among the top 100 places to live by *Money Magazine*. We have been able to balance a community with a mixture of agricultural, residential, commercial and industrial/office development. The unemployment rate of 6.1% in Washington County is less than the 6.6% of the State of Wisconsin. We expect these percentages to improve in the future as projects are completed.

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 low while guaranteeing that funds will be available to protect Village infrastructure and services. The Village board is committed to maintain a General Fund balance which is equal to 10 – 15% of subsequent year expenditures. As of December 31, 2011, the unreserved General Fund balance is 17.08% of such expenditures, providing 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 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 discussing the pros and cons of extending sanitary sewer into that area as well as re-evaluating the current five-acre minimum lot size/residential density policy.

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 unqualified 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, 2010. This was 23 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



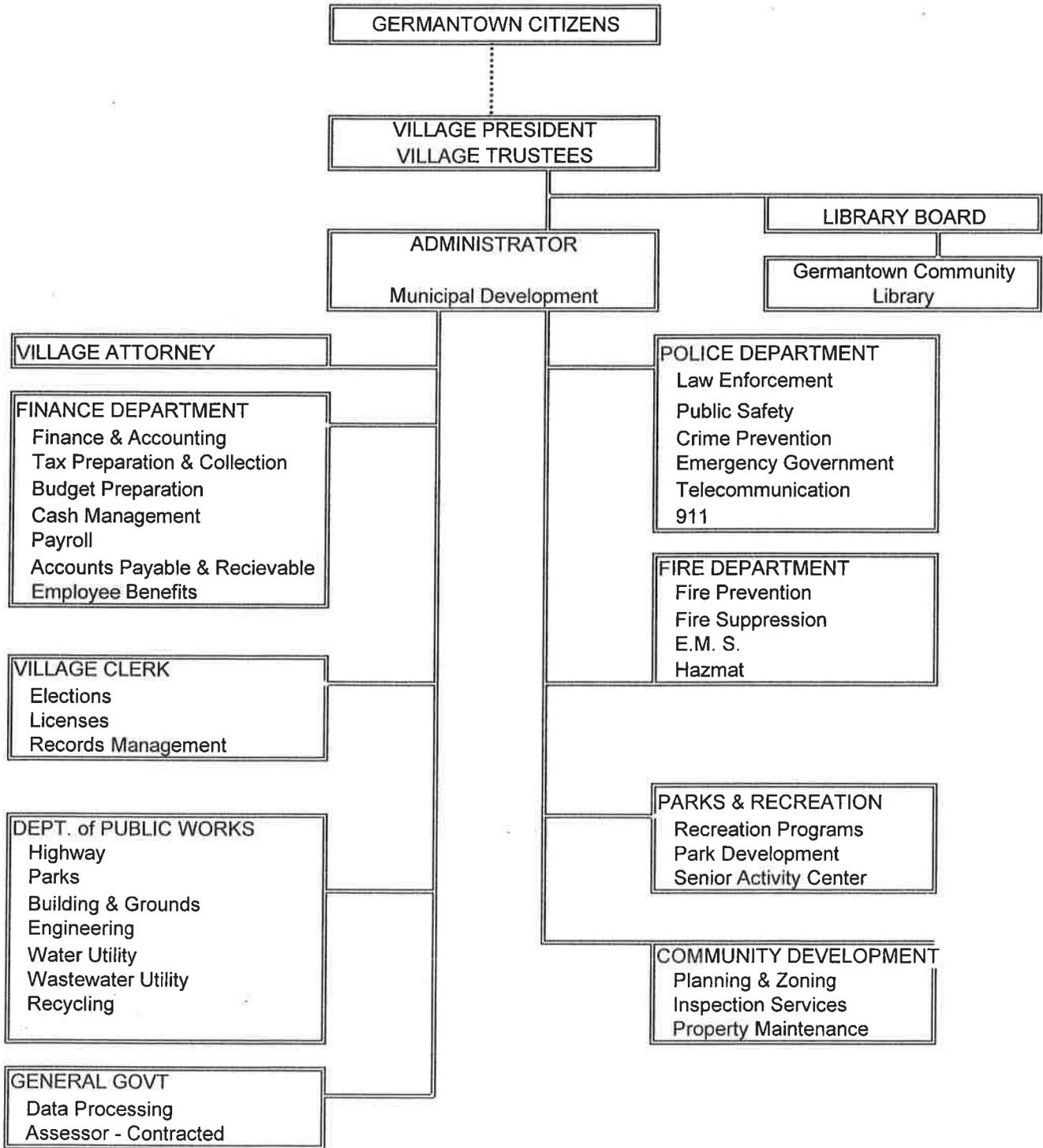
LIST OF PRINCIPAL OFFICIALS as of December 31, 2011
ELECTED OFFICIALS

Title	Name
Village President	Dean Wolter
Village Trustee - District 1	David Baum
Village Trustee - District 1	Terri Kaminski
Village Trustee - District 2	Daniel Wing
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	John DeStefanis
Village Assessor – Contract Service	Accurate Assessments
Village Clerk	Elizabeth A. Knaack
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 G. Hoell
Fire Chief	Gary L. Pollpeter
Library Director	Roberta M. Olson
Recreation Director	Brett H. Altergott
Police & Fire Commission Chairperson	Patrick Adair
Park & Recreation Commission Chair	Tony Laszewski
Library Board President	Joyce Nelson

VILLAGE OF GERMANTOWN ORGANIZATIONAL CHART



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandson

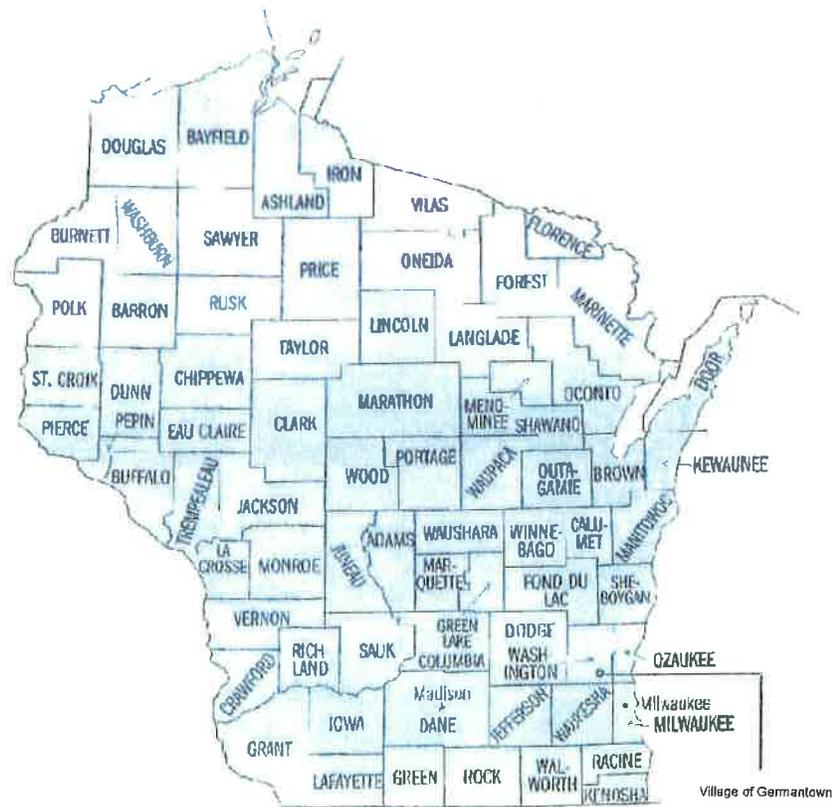
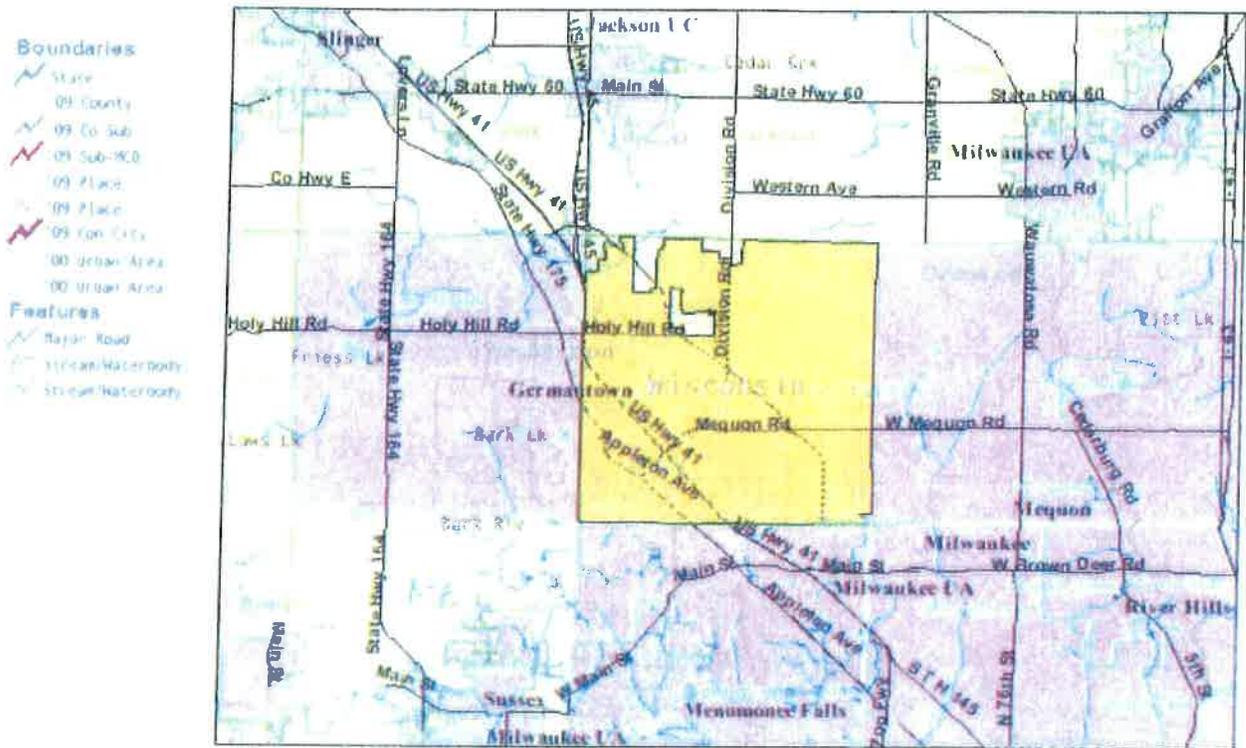
President

Jeffrey R. Emer

Executive Director

Germantown village, Wisconsin - Reference Map - American FactFinder

Germantown village, Wisconsin



History of Germantown

The Village of Germantown is located in southeastern Wisconsin, in the southeastern corner of Washington County. The City of Mequon, in Ozaukee County, borders the Village on the east, and the Village of Menomonee Falls, in Waukesha County, borders the Village 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 the Village 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.

The Village's current population is estimated to be 19,772. Residential, as well as commercial and industrial development is concentrated in the suburban-like south-central third of the Village. It is in this portion of the Village, 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. 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 of the Village and is responsible to the Board of Trustees for the proper administration of all Village affairs.

Village of Germantown, Wisconsin
Comprehensive Annual Financial Report

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Germantown
Germantown, Wisconsin

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, 2011, which collectively comprise the village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Germantown's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

As described in Note I, the Village adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

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

To the Village Board
Village of Germantown

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 combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Baker Tilly Vinchow Krause, LLP

Madison, Wisconsin
June 26, 2012

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2011 (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, 2011. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements.

FINANCIAL HIGHLIGHTS

- > The Village of Germantown ended 2011 with assets totaling \$173 million and liabilities of \$48 million, resulting in net assets of \$125.2, an increase of \$1.79 million over 2010. Of the total net assets, \$117.7 million represents the Village's investment in capital assets, net of related debt, \$5.1 million is held for restricted purposes, and \$2.4 million is unrestricted and available to meet the Village's ongoing obligations to its citizens and creditors.
- > The total net asset increase, of nearly \$1.8 million, was primarily attributable to the increases in Business-type Activity revenue, and reductions in noncurrent liabilities due in more than one year.
- > During 2011, 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 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, 2011, was \$117,518,845. Total general obligation debt outstanding at year end was \$29,211,533.
- > On May 18, 2011, the village issued \$2.2 million in general obligation notes with an average interest rate of 2.8%. The funds are to be used to pay the costs of capital improvements including road improvements, public works vehicles, drainage improvements and fire equipment acquisition.
- > \$95,000 was paid toward a Sewer Utility advance to the Debt Service Fund originally needed to pay off a note anticipation note that matured in 2008, leaving a balance of \$42,000. We were able to fund an additional \$40,000 towards the advance due to a change in Wisconsin Retirement Employee contributions savings, previously paid by the employer.

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The two government-wide financial statements are designed to provide readers with a broad overview of the Village of Germantown's finances, in a manner similar to a private-sector business entity. The *Statement of Net Assets* presents information on all of the Village of Germantown's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Germantown is improving or deteriorating. *The Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Germantown, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Governmental Funds

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

Governmental funds include the General, Special Revenue, Capital Projects and Debt Service Funds. Of these the General fund, Debt Service fund and 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 Assets and Statement of Activities*.

Proprietary Funds

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

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

Fiduciary Funds

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

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

Notes to the Financial Statements

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

Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The *Statement of Net Assets* for the Village of Germantown is summarized in the tables below. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Village's assets exceeded liabilities by \$125.2 million at the close of 2011. The majority of these net assets (\$117.7 million) reflect 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 assets that are restricted (\$5.1 million or 4.1%) represents impact fees, equipment replacement accounts and Capital Projects and Tax Incremental Financing (TIF) funds. The remaining \$2.4 million of total net assets may be used to meet the Village's ongoing obligations to its citizens and creditors.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont)

Table 1 below summarizes the assets, liabilities and net assets of the village with the accompanying Tables 1.a and 1.b showing the differences between 2010 and 2011. Table 2 summarizes the total revenues and expenses for 2011 with Tables 2.a and 2.b showing the changes from 2010 to 2011.

Table 1
2011 Statement of Net Assets

	Governmental Activities	Business-Type Activities	Totals
Current and Other Assets	\$ 30,631,996	\$ 6,538,956	\$ 37,170,952
Capital Assets	75,360,837	60,829,310	136,190,147
 Total Assets	 105,992,833	 67,368,266	 173,361,099
 Long-Term Liabilities	 29,593,352	 1,716,409	 31,309,761
Other Liabilities	16,438,750	438,342	16,877,092
 Total Liabilities	 46,032,102	 2,154,751	 48,186,853
 Net Assets			
Invested in Capital, net of related debt	59,220,933	59,199,387	117,692,446
Restricted- Impact Fee Accounts	37,411	168,691	206,102
Library	112,160	-	112,160
Debt Service	-	113,290	113,290
Equipment Replacement	-	342,140	342,140
TIF Purposes	4,354,275	-	4,354,275
Unrestricted (deficit)	(3,764,048)	5,390,007	2,353,833
 Total Net Assets	 \$ 59,960,731	 \$ 65,213,515	 \$ 125,174,246

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 1.a
Statement of Net Assets - Governmental Activities - 2010 to 2011

	2010 to 2011		
	Change	2010	2011
Current and Other Assets	\$ 1,467,091	\$ 29,164,905	\$ 30,631,996
Capital Assets	<u>(1,104,350)</u>	<u>76,465,187</u>	<u>75,360,837</u>
Total Assets	<u>362,741</u>	<u>105,630,092</u>	<u>105,992,833</u>
Long-Term Liabilities	(1,609,707)	31,203,059	29,593,352
Other Liabilities	<u>(197,523)</u>	<u>16,636,273</u>	<u>16,438,750</u>
Total Liabilities	<u>(1,807,230)</u>	<u>47,839,332</u>	<u>46,032,102</u>
Net Assets			
Invested in Capital, net of related debt	(1,041,074)	60,262,007	59,220,933
Restricted - Impact Fee Accounts	(60,354)	97,765	37,411
- Library	3,182	108,978	112,160
- TIF Purposes	4,354,275	-	4,354,275
Unrestricted (deficit)	<u>(1,086,058)</u>	<u>(2,677,990)</u>	<u>(3,764,048)</u>
Total Net Assets	<u>\$ 2,169,971</u>	<u>\$ 57,790,760</u>	<u>\$ 59,960,731</u>

Table 1.b
Statement of Net Assets - Business Type Activities - 2010 to 2011

	2010 to 2011		
	Change	2010	2011
Current and Other Assets	\$ 8,656	\$ 6,530,300	\$ 6,538,956
Capital Assets	<u>(399,212)</u>	<u>61,228,522</u>	<u>60,829,310</u>
Total Assets	<u>(390,556)</u>	<u>67,758,822</u>	<u>67,368,266</u>
Long-Term Liabilities	(27,122)	1,743,531	1,716,409
Other Liabilities	<u>11,802</u>	<u>426,540</u>	<u>438,342</u>
Total Liabilities	<u>(15,320)</u>	<u>2,170,071</u>	<u>2,154,751</u>
Net Assets			
Invested in Capital, net of related debt	(384,796)	59,584,183	59,199,387
Restricted - Impact Fee	(72,453)	241,144	168,691
- Debt Service	(28,304)	141,594	113,290
- Equipment Replacement	37,892	304,248	342,140
Unrestricted	<u>72,425</u>	<u>5,317,582</u>	<u>5,390,007</u>
Total Net Assets	<u>\$ (375,236)</u>	<u>\$ 65,588,751</u>	<u>\$ 65,213,515</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 Changes in Net Assets
for the year ending December 31, 2011**

	Governmental Activities	Business-Type Activities	Totals
Revenues			
Program Revenues			
Charges for Services	\$ 2,234,566	\$ 6,612,628	\$ 8,847,194
Operation Grants & Contributions	1,590,826	-	1,590,826
Capital Grants & Contributions	65,370	579,958	645,328
General Revenues			
Property Taxes	13,757,302	-	13,757,302
Intergovernmental revenues	971,494	-	971,494
Investment income	151,222	29,376	180,598
Other	893,020	-	893,020
Total Revenues	<u>19,663,800</u>	<u>7,221,962</u>	<u>26,885,762</u>
Expenses			
General government	1,716,352	-	1,716,352
Public safety	7,018,081	-	7,018,081
Public works	5,419,423	-	5,419,423
Culture and recreation	2,505,974	-	2,505,974
Conservation and development	269,046	-	269,046
Interest and fiscal charges	1,113,907	-	1,113,907
Water	-	1,846,078	1,846,078
Wastewater	-	5,202,166	5,202,166
Total Expenses	<u>18,042,783</u>	<u>7,048,244</u>	<u>25,091,027</u>
Total	1,621,017	173,718	1,794,735
Transfers	548,954	(548,954)	-
Increase (Decrease) in Net Assets	2,169,971	(375,236)	1,794,735
Net Assets - Beginning	57,790,760	65,588,751	123,379,511
NET ASSETS - ENDING	<u>\$ 59,960,731</u>	<u>\$ 65,213,515</u>	<u>\$ 125,174,246</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 2.a

**Village of Germantown's Changes in Net Assets - Governmental Activities -
for the year ending December 31, 2011**

	2010 to 2011 Change	2010	2011
Revenues			
Program Revenues			
Charges for Services	\$ 121,820	\$ 2,112,746	\$ 2,234,566
Operation Grants & Contributions	124,758	1,466,068	1,590,826
Capital Grants & Contributions	(304,660)	370,030	65,370
General Revenues			
Property Taxes	269,181	13,488,121	13,757,302
Intergovernmental revenues	(16,387)	987,881	971,494
Investment income	39,663	111,559	151,222
Other	493,512	399,508	893,020
Total Revenues	<u>727,887</u>	<u>18,935,913</u>	<u>19,663,800</u>
Expenses			
General government	16,876	1,699,476	1,716,352
Public safety	27,365	6,990,716	7,018,081
Public works	508,778	4,910,645	5,419,423
Culture and recreation	72,640	2,433,334	2,505,974
Conservation and development	(38,968)	308,014	269,046
Interest and fiscal charges	(121,233)	1,235,140	1,113,907
Total Expenses	<u>465,458</u>	<u>17,577,325</u>	<u>18,042,783</u>
Total	262,429	1,358,588	1,621,017
Transfers	<u>15,307</u>	<u>533,647</u>	<u>548,954</u>
Change in Net Assets	277,736	1,892,235	2,169,971
Net Assets - Beginning	<u>1,892,235</u>	<u>55,898,525</u>	<u>57,790,760</u>
NET ASSETS - ENDING	<u>\$ 2,169,971</u>	<u>\$ 57,790,760</u>	<u>\$ 59,960,731</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

Table 2.b

**Village of Germantown's Changes in Net Assets - Business Type Activities -
for the year ending December 31, 2011**

	2010 to 2011 Change	2010	2011
Revenues			
Program Revenues			
Charges for Services	\$806,150	\$ 5,806,478	\$ 6,612,628
Capital Grants & Contributions	147,201	432,757	579,958
General Revenues			
Investment income	(29,558)	58,934	29,376
Total Revenues	<u>923,793</u>	<u>6,298,169</u>	<u>7,221,962</u>
Expenses			
Water	31,604	1,814,474	1,846,078
Wastewater	185,979	5,016,187	5,202,166
Total Expenses	<u>217,583</u>	<u>6,830,661</u>	<u>7,048,244</u>
Total	706,210	(532,492)	173,718
Transfers	15,307	(533,647)	(548,954)
Increase in Net Assets	690,903	(1,066,139)	(375,236)
Net Assets - Beginning	(1,066,139)	66,654,890	66,588,751
NET ASSETS - ENDING	<u>\$ (375,236)</u>	<u>\$ 65,588,751</u>	<u>\$ 65,213,515</u>

VILLAGE OF GERMANTOWN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS

Governmental Funds

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

As of December 31, 2011, the Village of Germantown's *Balance Sheet – Governmental Funds* - reported combined ending fund balances of \$10.36 million, an increase of \$2.2 million over the previous year's ending balances. Of this total, nearly \$8 million is nonspendable, restricted, committed or assigned for specific legal requirements and other commitments, leaving total unassigned governmental fund balances of \$2.385 million available for meeting future budget requirements. As of December 31, 2011, the unassigned general fund balance covers 17.08% of the 2012 budgeted expenditures. This compares to a figure of 13.04% at the end of 2010.

The Village Board continued to make increasing the Village's General Fund Balance a priority. \$90,418 was included as a budgeted line item as Reserve Buildup or for emergency use during the year. That reserve remained intact by year end and was added in its entirety to the reserve funds. Coupled with reductions in labor costs, consolidation in our DPW department, and higher than projected revenues in licenses, permits and fees, more than \$700,000 was added to the balance. This helped place the Village in a much stronger position going forward in this still wavering economy. This savings enabled the Village to use some of the funds to cover 2012 capital expenditures in the amount of \$110,000, used towards Police Equipment, Tennis Court renovation and Engineering Equipment.

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 82.73% of revenues. On the operations side, our Public Safety and Public Works departments are our highest expense at 71.28% of total expenditures.

Departments with excess expenditures over appropriations were in the Village Clerk's office \$8,594 (additional elections due to Wisconsin recall decisions) Police Protection \$33,086, (increased overtime, although the amount was recovered in state reimbursement for seat belt and speed grants) Recreation Department, program labor \$10,462 (recouped the cost in program revenue) and the Village Parks Department \$16,642 (concentrated more labor and equipment costs in Parks rather than Building & Grounds)

The Debt Service fund had a total fund balance of \$355,159, an increase of \$121,199 over 2010 due in part to an Underwriter's Reoffering Premium in conjunction with the 2011 General Obligation Promissory Note and amounts accumulated from unspent loan proceeds of a special assessment note that were transferred to Debt Service for subsequent debt reduction.

Governmental Capital Projects fund had a total fund balance of approximately \$2.2 million. This balance 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 \$456,000. The Library adds approximately \$50,000 yearly. The funds remain on account until a specified project is identified by the Library Board. There is also a \$613,074 prepaid expense for a Fire Engine and \$42,000 restricted for payment of a special assessment note. The Non-major Governmental funds column, with an ending balance of \$4.5 million includes various special revenue funds and T.I.D. Capital Projects funds used to account for expenditures for specific purposes, including debt service.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS

Proprietary Funds

The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The net assets of the enterprise-type proprietary funds at the end of 2011 totaled \$65.2 million. Proprietary funds make up 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.

Sewer Utility operating revenues increased \$695,182 or 18.32%, due to a mid year increase in rates. Operating Expenses increased by 4.2% or \$181,206 over 2010, mostly due to increases for sewerage treatment. The Village contracts with the Metropolitan Milwaukee Sewage Treatment District for its sewage treatment. In 2011, the Village paid MMSD \$1,165,110 for user charges, relatively the same as 2010 and \$2,410,666 for capital charges, an 8.6% increase.

The Water Utility increased its net assets by \$211,948, increasing operating revenues and decreasing costs for operations and maintenance. The Utility segregated \$85,100 for fund buildup to cover ongoing water tower repainting maintenance, the utility will continue to do so each year. There are three water towers in the Village and repainting costs run approximately \$400,000.

Some Highlights:

- > The Health and Dental Protection funds maintained positive cash flow ending the year with net assets of \$214,764. Employee contributions to the fund averaged 11%.
- > An overall increase in the rates for the Wastewater Utility of 15% went into effect on June 15, 2011 to offset continued increases to the wastewater utility due to Milwaukee Metropolitan Sewage District's Capital and User Fees.
- > Net Increase in Utility Capital Infrastructure of \$875,000, combined utility and developer added.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on pages 52 – 53, the original 2011 General fund budget authorized expenditures and other financing uses of \$13,995,927. Anticipated funding for these expenses was expected from taxes (General Property and other taxes) of \$9,087,697 and other revenue sources. 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 donations. These changes are reflected in the Final Budget column.

The Village again ended the year with a net favorable net change in fund balance of \$713,154. Revenues ended the year higher than budget by \$376,759, exceeding budget in all categories. The success of the programs in the Recreation Department, a higher Water Utility Pilot due to completion of Well #11, increased building inspection fees due to growth in our business park, Federal and State Storm Aid and Police Department Grants are some of the reasons.

Savings were also realized on the expense side of the budget. The 2011 expense budget included a planned addition to the unreserved general fund balance of \$90,418. Changes to the Public Works Department after a supervisory retirement allowed for additional savings by consolidating staff and hiring

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE VILLAGE'S MAJOR FUNDS

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

more part time employees. Part of the expense excess will be carried over to 2012, \$115,524 toward Library County Line item accounts, \$28,305 from Room Tax revenue and \$110,000 to cover capital expenditures.

After accounting for restricted uses \$477,318 was added to the unreserved general fund balance making the final balance at year end \$2,385,601. As per village policy, the unreserved fund should be between 10 – 15% of the village's subsequent year budgeted expenditures. As of December 31, 2011, the unreserved fund balance covers 17.08% of the 2012 budgeted expenditures. This compares to a figure of 13% at the end of 2010.

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, 2011 totaled \$193.75 million, an increase of \$1.75 million. These assets include the street network in the governmental activities and the water and wastewater utilities in the business-type activities.

Some of the Village's most significant additions of capital assets during 2011 included the following:

Significant Additions to Capital Assets in 2011

- Roads \$ 601,427
- Storm Sewer \$ 172,808
- Bridges & Culverts \$ 25,207
- Water & Sewer System \$ 875,448

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	2010	2011	2010	2011
Construction in progress	\$ 0.0	\$ 0.0	0.0	0.0
Land	13.6	13.6	0.3	0.3
Buildings and improvements	10.5	10.1	3.8	3.8
Machinery and equipment	3.2	2.9	4.4	4.4
Infrastructure	<u>49.2</u>	<u>48.7</u>	<u>52.3</u>	<u>52.3</u>
Totals	<u>\$ 76.5</u>	<u>\$ 75.3</u>	<u>61.2</u>	<u>60.8</u>

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont)

Additional Information about the village's capital assets can be found in Note III.D on pages 35 through 37.

LONG-TERM DEBT

On December 31, 2011, the Village of Germantown had \$30,860,602 of bond and long-term note principal outstanding, as summarized in the following table:

Table 4
Village of Germantown's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2010	2011	2010	2011
General obligation debt	\$ 31,012,834	\$ 29,211,533		
Revenue Bonds	-	-	\$ 1,666,067	\$ 1,649,069
Totals	<u>\$ 31,012,834</u>	<u>\$ 29,211,533</u>	<u>\$ 1,666,067</u>	<u>\$ 1,649,069</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized property value of all taxable property within the village's jurisdiction. The debt limit as of December 31, 2011 was \$117,518,845. Moody's Investor Service has assigned an Aa2 Rating to the Village, with a Stable Outlook.

Long-term Debt Issued 2011

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
05/18/11	General Obligation Promissory Note	\$ 2,200,000
Uses	Fire Equipment	\$ 650,000
	Drainage Improvements	200,000
	Roadway Improvements	1,321,000

Additional information about the Village's long-term debt can be found in Note III-F, pages 40 - 45 of this report.

VILLAGE OF GERMANTOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- > On March 27, 2012, the Village Board approved the issuance of a \$6,260,000 General Obligation Promissory Note – Series 2012A, a refinancing of a portion of an October 15, 2003 General Community Development Bond used for TID#4; \$3,085,000, a refinancing of a \$1,090,000 State Trust Fund Build America Bond Loan; \$805,000, and new financing of \$2,370,000 to be used for road construction, building and grounds maintenance, drainage improvements, park improvements and equipment acquisition.

- > The Village Board approved a 15% increase to the base operating and volumetric rates for the Wastewater Utility to be effective for 1st quarter 2012.

- > Section 66.0602 of the Wisconsin Statutes, as recently amended by 2011 Wisconsin Act 32, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. The Village of Germantown has begun to provide its Comprehensive Annual Financial Report on our web page (www.village.germantown.wi.us) under the Finance Department' 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 ASSETS December 31, 2011

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 9,810,843	\$ 4,331,918	\$ 14,142,761
Receivables (net)			
Taxes	13,524,306	-	13,524,306
Accounts receivables	557,075	1,840,572	2,397,647
Special assessments receivable	1,666,978	189,299	1,856,277
Developer	2,008,226	-	2,008,226
Interest	5,831	-	5,831
Accrued interest	-	14,347	14,347
Internal balances	480,447	(480,447)	-
Prepaid items	614,367	-	614,367
Other assets	274,145	19,146	293,291
Land held for resale	1,652,367	-	1,652,367
Restricted Assets			
Cash and investments	37,237	623,332	660,569
Accrued interest	174	789	963
Capital assets			
Land	13,577,807	260,019	13,837,826
Other capital assets, net of depreciation	<u>61,783,030</u>	<u>60,569,291</u>	<u>122,352,321</u>
Total Assets	<u>105,992,833</u>	<u>67,368,266</u>	<u>173,361,099</u>
LIABILITIES			
Accounts payable and accrued expenses	2,500,129	415,972	2,916,101
Accrued interest payable	390,371	6,412	396,783
Unearned revenue	13,395,386	-	13,395,386
Deposits	152,864	15,958	168,822
Noncurrent liabilities			
Due within one year	4,212,670	84,761	4,297,431
Due in more than one year	<u>25,380,682</u>	<u>1,631,648</u>	<u>27,012,330</u>
Total Liabilities	<u>46,032,102</u>	<u>2,154,751</u>	<u>48,186,853</u>
NET ASSETS			
Invested in capital assets, net of related debt	59,220,933	59,199,387	117,692,446
Restricted for			
Impact fees	37,411	168,691	206,102
Library	112,160	-	112,160
Debt service	-	113,290	113,290
Equipment replacement	-	342,140	342,140
TIF purposes	4,354,275	-	4,354,275
Unrestricted (deficit)	<u>(3,764,048)</u>	<u>5,390,007</u>	<u>2,353,833</u>
TOTAL NET ASSETS	<u>\$ 59,960,731</u>	<u>\$ 65,213,515</u>	<u>\$ 125,174,246</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,716,352	\$ 266,974	\$ -	\$ -
Public safety	7,018,081	828,539	139,139	11,461
Public works	5,419,423	242,763	1,045,620	45,773
Culture, education and recreation	2,505,974	887,803	357,120	8,136
Conservation and development	269,046	8,487	-	-
Interest and fiscal charges	1,113,907	-	48,947	-
Total Governmental Activities	<u>18,042,783</u>	<u>2,234,566</u>	<u>1,590,826</u>	<u>65,370</u>
Business-type Activities				
Water	1,846,078	2,122,938	-	459,522
Sewer	5,202,166	4,489,690	-	120,436
Total Business-type Activities	<u>7,048,244</u>	<u>6,612,628</u>	<u>-</u>	<u>579,958</u>
Totals	<u>\$ 25,091,027</u>	<u>\$ 8,847,194</u>	<u>\$ 1,590,826</u>	<u>\$ 645,328</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, tax increment

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Miscellaneous

 Total General Revenues

Transfers

Change in net assets

NET ASSETS - Beginning of Year

NET ASSETS - END OF YEAR

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,449,378)	\$ -	\$ (1,449,378)
(6,038,942)	-	(6,038,942)
(4,085,267)	-	(4,085,267)
(1,252,915)	-	(1,252,915)
(260,559)	-	(260,559)
(1,064,960)	-	(1,064,960)
<u>(14,152,021)</u>	<u>-</u>	<u>(14,152,021)</u>
-	736,382	736,382
-	<u>(592,040)</u>	<u>(592,040)</u>
-	<u>144,342</u>	<u>144,342</u>
<u>(14,152,021)</u>	<u>144,342</u>	<u>(14,007,679)</u>
8,782,197	-	8,782,197
1,669,117	-	1,669,117
2,946,548	-	2,946,548
359,440	-	359,440
971,494	-	971,494
151,222	29,376	180,598
<u>893,020</u>	<u>-</u>	<u>893,020</u>
15,773,038	29,376	15,802,414
<u>548,954</u>	<u>(548,954)</u>	<u>-</u>
2,169,971	(375,236)	1,794,735
<u>57,790,760</u>	<u>65,588,751</u>	<u>123,379,511</u>
<u>\$ 59,960,731</u>	<u>\$ 65,213,515</u>	<u>\$ 125,174,246</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2011

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 2,972,621	\$ 397,159	\$ 1,792,852	\$ 4,515,858
Receivables (net)				
Taxes	8,760,128	1,809,439	77,422	2,812,673
Special assessments	1,666,978	-	-	-
Accounts	455,762	-	15,000	-
Developer	-	-	2,008,226	-
Delinquent taxes	64,644	-	-	-
Accrued interest	3,965	-	1,126	223
Due from other funds	554,550	-	5,652	2,807
Prepaid items	1,293	-	613,074	-
Restricted Assets				
Cash and investments	-	-	-	37,237
Interest	-	-	-	174
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 14,479,941</u>	<u>\$ 2,206,598</u>	<u>\$ 4,513,352</u>	<u>\$ 7,368,972</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 232,247	\$ -	\$ 83,686	\$ 909
Accrued liabilities	558,657	-	-	-
Assessments payable	1,620,125	-	-	-
Due to other funds	8,459	-	-	-
Due to other governments	86	-	-	-
Deferred revenues	8,805,778	1,809,439	2,085,647	2,812,673
Special deposits	-	-	152,864	-
Advances from other funds	-	42,000	-	-
Total Liabilities	<u>11,225,352</u>	<u>1,851,439</u>	<u>2,322,197</u>	<u>2,813,582</u>
Fund Balances				
Nonspendable	65,937	-	613,074	-
Restricted	-	355,159	498,189	4,503,846
Committed	-	-	-	51,544
Assigned	803,051	-	1,079,892	-
Unassigned	2,385,601	-	-	-
Total Fund Balances	<u>3,254,589</u>	<u>355,159</u>	<u>2,191,155</u>	<u>4,555,390</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,479,941</u>	<u>\$ 2,206,598</u>	<u>\$ 4,513,352</u>	<u>\$ 7,368,972</u>

See accompanying notes to financial statements.

Totals
\$ 9,678,490
13,459,662
1,666,978
470,762
2,008,226
64,644
5,314
563,009
614,367
37,237
174
\$ 28,568,863

\$ 316,842
558,657
1,620,125
8,459
86
15,513,537
152,864
42,000
18,212,570

679,011
5,357,194
51,544
1,882,943
2,385,601
10,356,293

\$ 28,568,863

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VILLAGE OF GERMANTOWN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2011

Total Fund Balances - Governmental Funds	\$ 10,356,293
--	---------------

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

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

Land	13,577,807
Other capital assets, net of depreciation	61,783,030

Land held for resale is not a financial resource and is, therefore, not reported in the funds.	1,652,367
--	-----------

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	2,118,151
---	-----------

Unamortized debt issuance cost are reported as other assets on the statement of net assets.	274,145
---	---------

Internal service funds are reported in the statement of net assets as governmental activities.	214,764
--	---------

Internal service fund internal receivable between governmental and business-type activities.	(32,103)
--	----------

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(29,211,533)
Compensated absences	(623,239)
Accrued interest	(390,371)
Unamortized premium on debt	(108,605)
Unamortized loss on refunding	<u>350,025</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 59,960,731</u>
--	-----------------------------

VILLAGE OF GERMANTOWN

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

For the Year Ended December 31, 2011

	General Fund	Debt Service Fund	General Capital Projects
REVENUES			
Taxes	\$ 9,140,942	\$ 1,669,117	\$ -
Special assessments	-	-	284,381
Intergovernmental	2,348,337	48,947	88,937
Regulation and compliance	913,636	-	-
Public charges for services	1,293,428	-	-
Interdepartmental charges	-	95,000	-
Investment income	42,244	1,483	92,480
Miscellaneous	149,664	-	15,190
Total Revenues	13,888,251	1,814,547	480,988
EXPENDITURES			
Current			
General government	1,379,656	-	-
Public safety	6,338,409	-	-
Public works	3,449,314	-	-
Culture and recreation	2,251,953	-	-
Conservation and development	199,172	-	-
Capital Outlay	113,176	-	1,464,693
Debt Service			
Principal	-	4,001,301	-
Interest and fiscal charges	-	1,079,467	-
Debt issuance costs	-	-	44,039
Total Expenditures	13,731,680	5,080,768	1,508,732
Excess (deficiency) of revenues over expenditures	156,571	(3,266,221)	(1,027,744)
OTHER FINANCING SOURCES (USES)			
Issuance of general obligation notes	-	-	2,200,000
Premium on long-term debt	-	-	83,886
Transfers in	556,583	3,387,420	-
Transfers out	-	-	(435,922)
Total Other Financing Sources (Uses)	556,583	3,387,420	1,847,964
Net Change in Fund Balances	713,154	121,199	820,220
FUND BALANCES - Beginning of Year	2,541,435	233,960	1,370,935
FUND BALANCES - END OF YEAR	\$ 3,254,589	\$ 355,159	\$ 2,191,155

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 2,947,243	\$ 13,757,302
-	284,381
48,806	2,535,027
-	913,636
41,153	1,334,581
-	95,000
12,370	148,577
<u>721,663</u>	<u>886,517</u>
<u>3,771,235</u>	<u>19,955,021</u>
-	1,379,656
10,016	6,348,425
-	3,449,314
15,453	2,267,406
-	199,172
190,375	1,768,244
-	4,001,301
-	1,079,467
-	<u>44,039</u>
<u>215,844</u>	<u>20,537,024</u>
<u>3,555,391</u>	<u>(582,003)</u>
-	2,200,000
-	83,886
1,000,000	4,944,003
<u>(3,959,127)</u>	<u>(4,395,049)</u>
<u>(2,959,127)</u>	<u>2,832,840</u>
596,264	2,250,837
<u>3,959,126</u>	<u>8,105,456</u>
<u>\$ 4,555,390</u>	<u>\$ 10,356,293</u>

See accompanying notes to financial statements.

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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, 2011

Net change in fund balances - total governmental funds	\$	2,250,837
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		1,768,244
Some items reported as capital outlay were not capitalized		(216,367)
Depreciation is reported in the government-wide financial statements		(2,559,789)
Net book value of assets retired		(122,167)
Contributed capital assets are reported as revenues in the government-wide financial statements.		25,729
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.		(282,756)
A portion of the proceeds of TIF land held for resale is reported as a decrease in assets held for resale in the government-wide financial statements.		(221,910)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt issued		(2,200,000)
Principal repaid		4,001,301
Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets 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.		
Debt premium/discount and issuance costs		(77,581)
Amortization of loss on refunding		(59,041)
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		(56,875)
Accrued interest on debt		62,335
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net assets of the internal service fund attributable to governmental funds is reported with governmental activities.		(141,989)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>2,169,971</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2011

ASSETS	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
Current Assets				
Cash and investments	\$ 1,682,486	\$ 2,426,972	\$ 4,109,458	\$ 132,353
Accounts receivable	608,200	1,232,372	1,840,572	86,313
Accrued interest	4,362	9,985	14,347	517
Due from other funds	58,818	-	58,818	-
Restricted Assets				
Redemption account	22,501	-	22,501	-
Total Current Assets	2,376,367	3,669,329	6,045,696	219,183
Noncurrent Assets				
Restricted Assets				
Reserve account	90,000	-	90,000	-
Depreciation account	35,154	-	35,154	-
Replacement account	-	306,986	306,986	-
Impact fee account	168,691	-	168,691	-
Interest receivable	789	-	789	-
Capital Assets				
Land	224,870	35,149	260,019	-
Plant in service	35,840,306	43,780,827	79,621,133	-
Accumulated depreciation	(7,816,622)	(11,235,220)	(19,051,842)	-
Other Assets				
Vehicle replacement account	-	222,460	222,460	-
Special assessments receivable	129,955	59,344	189,299	-
Unamortized debt issuance costs	19,146	-	19,146	-
Advances to other funds	-	42,000	42,000	-
Total Noncurrent Assets	28,692,289	33,211,546	61,903,835	-
Total Assets	31,068,656	36,880,875	67,949,531	219,183

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 56,769	\$ 329,206	\$ 385,975	\$ 4,419
Due to other funds	551,300	62,068	613,368	-
Accrued wages	15,193	14,804	29,997	-
Special deposits	15,958	-	15,958	-
Current portion of compensated absences	1,052	968	2,020	-
Current liabilities payable from restricted assets				
Current portion of revenue bonds	82,741	-	82,741	-
Accrued interest payable	6,412	-	6,412	-
Total Current Liabilities	<u>729,425</u>	<u>407,046</u>	<u>1,136,471</u>	<u>4,419</u>
Noncurrent Liabilities				
Long-Term Debt				
Revenue bonds	1,566,328	-	1,566,328	-
Compensated absences	34,015	31,305	65,320	-
Total Noncurrent Liabilities	<u>1,600,343</u>	<u>31,305</u>	<u>1,631,648</u>	<u>-</u>
Total Liabilities	<u>2,329,768</u>	<u>438,351</u>	<u>2,768,119</u>	<u>4,419</u>
NET ASSETS				
Invested in capital assets, net of related debt	26,618,631	32,580,756	59,199,387	-
Restricted for				
Impact fees	168,691	-	168,691	-
Debt service	106,878	-	106,878	-
Equipment replacement	35,154	306,986	342,140	-
Unrestricted	<u>1,809,534</u>	<u>3,554,782</u>	<u>5,364,316</u>	<u>214,764</u>
TOTAL NET ASSETS	<u>\$ 28,738,888</u>	<u>\$ 36,442,524</u>	65,181,412	<u>\$ 214,764</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>32,103</u>	
NET ASSETS BUSINESS-TYPE ACTIVITIES			<u>\$ 65,213,515</u>	

See accompanying notes to financial statements.

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VILLAGE OF GERMANTOWN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2011

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for services	\$ -	\$ 4,456,327	\$ 4,456,327	\$ -
Sale of water	2,061,245	-	2,061,245	-
Other	61,457	33,245	94,702	1,653,236
Total Operating Revenues	<u>2,122,702</u>	<u>4,489,572</u>	<u>6,612,274</u>	<u>1,653,236</u>
OPERATING EXPENSES				
Operation and maintenance	1,057,880	4,494,441	5,552,321	1,822,557
Depreciation	714,896	695,696	1,410,592	-
Total Operating Expenses	<u>1,772,776</u>	<u>5,190,137</u>	<u>6,962,913</u>	<u>1,822,557</u>
Operating Income (Loss)	<u>349,926</u>	<u>(700,565)</u>	<u>(350,639)</u>	<u>(169,321)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	11,862	17,514	29,376	2,645
Miscellaneous revenues	236	118	354	-
Interest expense	(58,062)	-	(58,062)	-
Amortization of debt issuance costs	(2,582)	-	(2,582)	-
Total Nonoperating Revenues (Expenses)	<u>(48,546)</u>	<u>17,632</u>	<u>(30,914)</u>	<u>2,645</u>
Income (Loss) Before Contributions and Transfers	<u>301,380</u>	<u>(682,933)</u>	<u>(381,553)</u>	<u>(166,676)</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	459,522	120,436	579,958	-
Transfers out - tax equivalent	(548,954)	-	(548,954)	-
Total Contributions and Transfers	<u>(89,432)</u>	<u>120,436</u>	<u>31,004</u>	<u>-</u>
Change in Net Assets	211,948	(562,497)	(350,549)	(166,676)
NET ASSETS - Beginning of Year	<u>28,526,940</u>	<u>37,005,021</u>	<u>65,531,961</u>	<u>381,440</u>
NET ASSETS - END OF YEAR	<u>\$ 28,738,888</u>	<u>\$ 36,442,524</u>	<u>\$ 65,181,412</u>	<u>\$ 214,764</u>
Change in Net Assets of Proprietary Funds Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.			\$ (350,549)	
			<u>(24,687)</u>	
CHANGE IN NET ASSETS OF BUSINESS- TYPE ACTIVITIES			<u>\$ (375,236)</u>	

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 1,683,694	\$ 4,439,662	\$ 6,123,356	\$ 1,567,710
Received from other funds for services	506,579	-	506,579	-
Paid to suppliers for goods and services	(597,845)	(4,062,694)	(4,660,539)	(1,892,948)
Paid to employees for services	(432,086)	(409,488)	(841,574)	-
Net Cash Flows From Operating Activities	1,160,342	(32,520)	1,127,822	(325,238)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	16,912	16,613	33,525	2,480
Investments purchased	(755,745)	(1,614,391)	(2,370,136)	-
Investments sold and matured	832,030	1,384,984	2,217,014	-
Net Cash Flows From Investing Activities	93,197	(212,794)	(119,597)	2,480
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Paid to municipality for tax equivalent	(533,647)	-	(533,647)	-
Net Cash Flows From Noncapital Financing Activities	(533,647)	-	(533,647)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(669,361)	(35,234)	(704,595)	-
Capital contributions received	9,859	41,219	51,078	-
Special assessments received	79,534	5,326	84,860	-
Debt retired	(79,223)	-	(79,223)	-
Interest paid	(57,645)	-	(57,645)	-
Proceeds from debt issue	62,225	-	62,225	-
Net Cash Flows From Capital and Related Financing Activities	(654,611)	11,311	(643,300)	-
Net Change in Cash and Cash Equivalents	65,281	(234,003)	(168,722)	(322,758)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,177,806	1,576,030	2,753,836	455,111
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,243,087	\$ 1,342,027	\$ 2,585,114	\$ 132,353

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 349,926	\$ (700,565)	\$ (350,639)	\$ (169,321)
Nonoperating revenue	236	118	354	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	714,896	695,696	1,410,592	-
Depreciation charged to other funds	111,514	-	111,514	-
Changes in assets and liabilities				
Accounts receivable	8,593	(185,859)	(177,266)	(85,526)
Due from other funds	9,060	135,831	144,891	-
Accounts payable	6,066	26,550	32,616	(70,391)
Due to other funds	(39,751)	(9,809)	(49,560)	-
Accrued wages	(1,335)	821	(514)	-
Accrued sick leave	(14,821)	4,697	(10,124)	-
Customer deposits	15,958	-	15,958	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,160,342</u>	<u>\$ (32,520)</u>	<u>\$ 1,127,822</u>	<u>\$ (325,238)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS				
Cash and investments - statement of net assets	\$ 1,682,486	\$ 2,426,972	\$ 4,109,458	\$ 132,353
Restricted cash and investments - statement of net assets	316,346	306,986	623,332	-
Vehicle replacement account	-	222,460	222,460	-
Total Cash and Investments	1,998,832	2,956,418	4,955,250	132,353
Less: Noncash equivalents	(755,745)	(1,614,391)	(2,370,136)	-
CASH AND CASH EQUIVALENTS	<u>\$ 1,243,087</u>	<u>\$ 1,342,027</u>	<u>\$ 2,585,114</u>	<u>\$ 132,353</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Developer financed additions to utility plant	\$ 449,663	\$ 79,217		\$ -

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUND December 31, 2011

	<u>Agency Fund</u> <u>Tax Collection</u> <u>Fund</u>
ASSETS	
Cash and investments	\$ 22,988,632
Taxes receivable	<u>10,519,276</u>
TOTAL ASSETS	<u>\$ 33,507,908</u>
LIABILITIES	
Accounts payable	\$ 143,348
Due to other governments	<u>33,364,560</u>
TOTAL LIABILITIES	<u>\$ 33,507,908</u>

See accompanying notes to financial statements.

VILLAGE OF GERMANTOWN

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VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2009, the GASB issued statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The village made the decision to implement this standard effective January 1, 2011.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Financial statements of the 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, liabilities, net assets/fund equity, revenues, and expenditure/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, liabilities, 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 and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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 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

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
Library Impact Fee Fund
Senior Van Replacement Fund
Police Canine Fund
Library Fund

Fire Impact Fee Fund
Park and Recreation Impact Fee Fund
Police Asset Forfeiture Fund
Historic Preservation 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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

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

Fund Financial Statements (cont.)

In addition, the village reports the following fund types:

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

Tax Collection Fund

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

Government-Wide Financial Statements

The government-wide statement of net assets and 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

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

Fund Financial Statements

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

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

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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 deferred revenues.

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

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

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

Fund Financial Statements (cont.)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. 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, LIABILITIES, AND NET ASSETS 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

December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS 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.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2011, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The CLASS investment (Cooperative Liquid Assets Securities System) is an investment pool established by an intergovernmental agreement dated March 1, 1996. CLASS is available for investment by Wisconsin governmental entities except school districts. CLASS is a 2a 7 - like pool, and invests only in investments legally permissible under Wisconsin law, with a weighted average maturity not exceeding 120 days. The value of pool shares is the same as the fair value position in the pool.

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 agency fund statement of fiduciary net assets.

Property tax calendar - 2011 tax roll:

Lien date and levy date	December 2011
Tax bills mailed	December 2011
Payment in full, or	January 31, 2012
First installment due	January 31, 2012
Second installment due	July 31, 2012
Personal property taxes in full	January 31, 2012
Tax sale - 2011 delinquent real estate taxes	October 2014

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 assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS 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 assets.

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 assets. 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 December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS 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 governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

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. 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 \$31,395.

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, 2011, are determined on the basis of current salary rates and include salary related payments.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. 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 deferred and amortized over the life of the issue using the straight-line 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 both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

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 \$63,345,000, made up of 16 issues.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (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 assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

The net asset 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 "invested in capital assets, net of related debt", and an increase in "unrestricted" net assets, shown only in the total column. A reconciliation of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Adjustment</u>	<u>Total</u>
Invested in capital assets, net of related debt	\$ 59,220,933	\$ 59,199,387	\$ (727,874)	\$ 117,692,446
Unrestricted (deficit)	(3,764,048)	5,390,007	727,874	2,353,833

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

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. 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 (ordinance, resolution, motion) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The village has informally authorized the finance director to assign amounts for a specific purpose. 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.

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 \$2,385,601, or 17%, and is included in unassigned general fund balance.

See Note III. H. for further information.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

11. Basis for Existing Rates

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin effective September 15, 2010. 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 June 15, 2011.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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 finance director 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 \$254,097. Budgets are adopted at the fund level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Debt Service Fund	\$ 4,925,644	\$ 5,080,768	\$ 155,124
Police Canine Fund	5,000	6,188	1,188
Library Fund	-	4,340	4,340
Facility Fees Fund	7,000	10,431	3,431
TID No. 3 Capital Projects	1,936,634	1,936,791	157
TID No. 4 Capital Projects	1,808,847	1,971,171	162,324
TID No. 5 Capital Projects	163,400	163,779	379

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 December 31, 2011

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

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

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

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	\$ 6,206,553	\$ 6,380,098	Custodial Credit
US agencies - implicitly guaranteed	9,275,994	9,275,994	Credit, Custodial Credit, Concentration of Credit, Interest Rate
US agencies - explicitly guaranteed	15,093,418	15,093,418	Custodial Credit, Interest Rate
US treasuries	1,841,477	1,841,477	Custodial Credit, Interest Rate
CLASS	650,480	650,480	Credit, Interest Rate
LGIP	4,721,745	4,721,745	Credit, Interest Rate
Petty cash	2,295	-	N/A
 Total Deposits and Investments	 \$ 37,791,962	 \$ 37,963,212	
 Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 14,142,761		
Restricted cash and investments	660,569		
Per statement of net assets- fiduciary funds			
Agency Fund	22,988,632		
 Total Deposits and Investments	 \$ 37,791,962		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest bearing transaction accounts.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

Custodial Credit Risk

Deposits

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

As of December 31, 2011, \$58,896 of the village's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 58,896
Total	<u>\$ 58,896</u>

Investments

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

As of December 31, 2011, the village's investments were exposed to custodial credit risk as follows:

<u>US Agencies - Implicitly Guaranteed</u>	
Not registered in the village's name	\$ 8,038,107
<u>US Agencies - Explicitly Guaranteed</u>	
Not registered in the village's name	\$ 15,093,418

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. CLASS has been rated AAAM by Standard & Poors.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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, 2011, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Assets
FNMA REMIC	US agencies - implicitly guaranteed	12.73%
GNMA REMIC	US agencies - explicitly guaranteed	47.79%
US Treasury Notes	US treasuries	5.83%
FHLMC REMIC	US agencies - implicitly guaranteed	12.72%

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, 2011, 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	\$ 9,275,994	\$ 214,726	\$ 1,023,161	\$ 8,038,107
US agencies - explicitly guaranteed	15,093,418	-	-	15,093,418
US treasuries	1,841,477	166,815	1,674,662	-
CLASS	650,480	650,480	-	-
LGIP	4,721,745	4,721,745	-	-
Totals	<u>\$ 31,583,114</u>	<u>\$ 5,753,766</u>	<u>\$ 2,697,823</u>	<u>\$ 23,131,525</u>

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 13,376,860	\$ 13,376,860
Special assessments not yet due	55,694	-	55,694
Developer receivable not yet due	1,660,000	-	1,660,000
Accounts receivable due from developer	398,280	18,526	416,806
Parks and Recreation	4,177	-	4,177
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 2,118,151	 \$ 13,395,386	 \$ 15,513,537

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 December 31, 2011

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, 2011:

	Restricted Assets
Governmental Activities	
Cash and investments	\$ 37,237
Accrued interest	174
Business-type Activities	
Sewer equipment replacement account	306,986
Water redemption account	22,501
Water reserve account	90,000
Water depreciation account	35,154
Water impact fees	168,691
Water interest receivable	789
Total Restricted Assets	\$ 661,532

D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
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 December 31, 2011

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Capital assets being depreciated				
Buildings and improvements	\$ 15,630,966	\$ 11,773	\$ 21,802	\$ 15,620,937
Machinery and equipment	9,186,879	374,341	386,721	9,174,499
Roads	44,921,037	972,733	371,306	45,522,464
Storm sewers	20,109,046	172,808	-	20,281,854
Street lighting	2,646,094	18,500	15,978	2,648,616
Bridges	7,018,899	27,451	2,244	7,044,106
Total Capital Assets Being Depreciated	99,512,921	1,577,606	798,051	100,292,476
Total Capital Assets	113,090,728	1,577,606	798,051	113,870,283
Less: Accumulated depreciation for				
Buildings and improvements	(5,059,267)	(467,769)	21,802	(5,505,234)
Machinery and equipment	(6,036,052)	(566,389)	385,455	(6,216,986)
Roads	(13,328,370)	(871,191)	250,979	(13,948,582)
Storm sewers	(8,588,536)	(404,097)	-	(8,992,633)
Street lighting	(1,524,819)	(110,062)	15,579	(1,619,302)
Bridges	(2,088,497)	(140,281)	2,069	(2,226,709)
Total Accumulated Depreciation	(36,625,541)	(2,559,789)	675,884	(38,509,446)
Net Capital Assets Being Depreciated	62,887,380	(982,183)	122,167	61,783,030
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 76,465,187	\$ (982,183)	\$ 122,167	\$ 75,360,837

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 96,642
Public safety	527,562
Public works, which includes the depreciation of infrastructure	1,718,734
Leisure activities	216,851
Total Governmental Activities Depreciation Expense	\$ 2,559,789

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 258,658	\$ 1,361	\$ -	\$ 260,019
Total Capital Assets Not Being Depreciated	<u>258,658</u>	<u>1,361</u>	<u>-</u>	<u>260,019</u>
Capital assets being depreciated				
Buildings and improvements	4,250,765	66,450	49,303	4,267,912
Machinery and equipment	5,901,079	18,104	5,512	5,913,671
Sewer system	38,364,128	79,217	-	38,443,345
Water system	30,229,713	957,761	191,269	30,996,205
Total Capital Assets Being Depreciated/Amortized	<u>78,745,685</u>	<u>1,121,532</u>	<u>246,084</u>	<u>79,621,133</u>
Total Capital Assets	<u>79,004,343</u>	<u>1,122,893</u>	<u>246,084</u>	<u>79,881,152</u>
Less: Accumulated depreciation for				
Buildings and improvements	(345,708)	(124,104)	45,500	(424,312)
Machinery and equipment	(1,183,815)	(368,939)	5,512	(1,547,242)
Sewer system	(10,303,962)	(404,608)	-	(10,708,570)
Water system	(5,942,336)	(546,665)	117,283	(6,371,718)
Total Accumulated Depreciation/Amortization	<u>(17,775,821)</u>	<u>(1,444,316)</u>	<u>168,295</u>	<u>(19,051,842)</u>
Net Capital Assets Being Depreciated	<u>60,969,864</u>	<u>(322,784)</u>	<u>77,789</u>	<u>60,569,291</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 61,228,522</u>	<u>\$ (321,423)</u>	<u>\$ 77,789</u>	<u>\$ 60,829,310</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 714,896
Sewer	<u>695,696</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 1,410,592</u>

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Water utility	\$ 551,300
General fund	Sewer utility	3,250
General capital projects	General fund	5,652
Water utility	Sewer utility	58,818
Nonmajor governmental funds	General fund	<u>2,807</u>
Total - Fund Financial Statements		621,827
Less: Fund eliminations		(67,277)
Less: Interfund receivables created with internal service fund eliminations		(32,103)
Add: Interfund advances		<u>(42,000)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 480,447</u>

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 2011 payment in lieu of tax.

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

Advances

During 2008, the sewer utility advanced \$250,000 to the debt service fund. The advance was needed to pay off a note anticipation note that matured in 2008. The advance is to be repaid in annual installments and bears interest of 1% higher than the rate offered by the Wisconsin Local Government Investment Pool. As of December 31, 2011, the balance of the advance is \$42,000. No repayment schedule has been established as annual installments will be paid with available funds as determined by the village board.

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Water utility	\$ 548,954	Payment in lieu of taxes
General fund	General Capital Projects	7,629	Reimbursement of expenses paid
Debt service fund	Nonmajor governmental funds	2,959,127	Debt service
Debt service fund	General capital projects	428,293	Debt Service
Nonmajor government funds	Nonmajor government funds	<u>1,000,000</u>	Increment sharing
Total - Fund Financial Statements		4,944,003	
Less: Fund eliminations		<u>(4,395,049)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 548,954</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 December 31, 2011

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

F. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 31,012,834	\$ 2,200,000	\$ 4,001,301	\$ 29,211,533	\$ 4,194,285
Add/(Subtract) Deferred Amounts For					
(Discounts)/Premiums	32,927	83,886	8,208	108,605	-
Refundings - Gains/(Losses)	(409,066)	-	(59,041)	(350,025)	-
Sub-totals	30,636,695	2,283,886	3,950,468	28,970,113	4,194,285
Other Liabilities					
Vested compensated absences	566,364	747,430	690,555	623,239	18,385
Total Governmental Activities Long-Term Liabilities	\$ 31,203,059	\$ 3,031,316	\$ 4,641,023	\$ 29,593,352	\$ 4,212,670
Business-type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 1,666,067	\$ 62,225	\$ 79,223	\$ 1,649,069	\$ 82,741
Sub-totals	1,666,067	62,225	79,223	1,649,069	82,741
Other Liabilities					
Vested compensated absences	77,464	38,628	48,752	67,340	2,020
Total Other Liabilities	77,464	38,628	48,752	67,340	2,020
Total Business-type Activities Long-Term Liabilities	\$ 1,743,531	\$ 100,853	\$ 127,975	\$ 1,716,409	\$ 84,761

In accordance with Wisconsin Statutes, total general obligation indebtedness of the village may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2011, was \$117,518,845. Total general obligation debt outstanding at year end was \$29,211,533.

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

December 31, 2011

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, 2011
Bonds - TID No. 4	7/15/2002	2021	3.00 - 4.80%	\$ 5,160,000	\$ 325,000
Notes	7/15/2002	2012	2.00 - 4.15%	795,000	95,000
Bonds - TID No. 4	10/15/2003	2021	2.50 - 4.35%	4,595,000	3,570,000
Notes	10/15/2003	2013	2.00 - 5.20%	355,000	85,000
Notes - General projects	5/1/2003	2013	2.50 - 3.45%	800,000	245,000
GO Refunding Bonds - TID No. 3	5/1/2003	2015	2.00 - 3.60%	4,605,000	3,105,000
GO Refunding Bonds - TID No. 4	6/15/2005	2021	2.80 - 4.00%	2,265,000	1,660,000
GO Refunding Bonds - TID No. 5	6/15/2005	2021	2.80 - 4.00%	845,000	610,000
GO Refunding Bonds - General	6/15/2005	2021	2.80 - 4.00%	2,395,000	2,345,000
Notes	6/15/2005	2015	2.95 - 3.70%	445,000	210,000
Notes	4/15/2006	2016	4.00%	2,520,000	1,405,000
GO Street Improvement Bond	5/1/2007	2026	4.00 - 4.375%	520,000	450,000
GO Promissory Note	5/1/2007	2016	3.50 - 3.75%	1,290,000	790,000
GO Promissory Note	12/15/2007	2017	3.85%	2,600,000	1,660,000
GO Promissory Note	5/15/2008	2018	3.70%	1,480,000	1,105,000
STFL - Build America	7/20/2009	2014	3.50%	605,172	371,083
STFL - Build America	8/31/2009	2019	4.50%	1,090,000	890,450
GO Refunding Bonds - TID No. 4	8/6/2009	2012	1.25 - 2.25%	1,630,000	550,000
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	465,000
GO Refunding Bonds - TID No. 4	3/17/10	2021	1.20 - 3.15%	3,905,000	3,890,000
GO Promissory Note	3/17/10	2020	0.90 - 4.25%	1,795,000	1,640,000
GO Promissory Note	5/18/11	2021	2.0 - 3.0%	2,200,000	<u>2,200,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 29,211,533</u>

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

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2012	\$ 4,194,285	\$ 959,827
2013	3,697,879	813,312
2014	3,921,672	690,077
2015	3,888,353	555,602
2016	3,188,169	436,348
2017-2021	10,131,175	848,396
2022-2026	190,000	25,034
Totals	<u>\$ 29,211,533</u>	<u>\$ 4,328,596</u>

Revenue Debt

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

The village has pledged future water revenues to repay \$2.1 million in water 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 5.8% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$2,154,580. Principal and interest paid for the current year and total customer gross revenues were \$136,743 and \$2,144,659, respectively.

Revenue debt payable at December 31, 2011, consists of the following:

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Business-type Activities Revenue Debt

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2011
Water system revenue bonds	6/15/2005	12/1/2025	3.1-4.35%	\$ 1,130,000	\$ 905,000
Safe drinking water loan	11/12/2009	5/1/2029	2.668%	773,293	<u>744,069</u> (2)
Total Business-type Activities Revenue Debt					<u>\$ 1,649,069</u>

(2) - During 2009, the utility was authorized to issue \$971,470 of water system Safe Drinking Water Loan revenue bonds. The original amount reported above has been issued as of December 31, 2011. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2012	\$ 82,741	\$ 56,652
2013	83,615	53,967
2014	89,512	51,258
2015	90,433	48,263
2016	91,378	45,187
2017-2021	521,977	173,904
2022-2026	539,693	70,218
2027-2029	<u>149,720</u>	<u>6,062</u>
Totals	<u>\$ 1,649,069</u>	<u>\$ 505,511</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.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

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

F. LONG-TERM OBLIGATIONS (cont.)

Prior-Year Defeasance of Debt

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At December 31, 2011, \$3,640,000 of bonds outstanding are considered defeased. The bonds are callable on March 1, 2012.

Deferred Amount on Refunding

Deferred amounts 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 deduction from debt payable in the government-wide and proprietary fund statements. Amortization for 2011 was \$59,041 for governmental activities.

Bond Covenant Disclosures

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

Insurance

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

The water utility is covered under the following insurance policies at December 31, 2011:

Type	Coverage	Expiration
General Liability	\$ 6,000,000	1/1/2012
Automobile	5,000,000	1/1/2012
Workers Compensation	500,000	1/1/2012
Local Government Property Insurance Fund	44,940,422	1/1/2012

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

F. LONG-TERM OBLIGATIONS (cont.)

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 2011 as follows:

Operating revenues	\$ 2,122,702
Investment income	11,862
Miscellaneous non-operating income	236
Impact fees	9,859
Less: Operation and maintenance expenses	<u>(1,057,880)</u>
Net Defined Earnings	<u>\$ 1,086,779</u>
Minimum Required Earnings per Resolution:	
Annual debt service - 2005 revenue bonds	\$ 88,938
Annual debt service - 2009 revenue bonds	<u>47,805</u>
Subtotal	136,743
Coverage factor	<u>1.25</u>
Minimum Required Earnings	<u>\$ 170,929</u>
Actual Debt Coverage	<u>7.95</u>

G. ASSESSMENTS PAYABLE

In previous years, a developer paid for intersection reconstruction within the village. These costs were special assessed to the affected properties. These assessments remain deferred until affected property completes commercial improvement. If, at the end of 10 years, commercial improvement has not occurred, the deferred assessment will expire. However, all funds collected by the village will be remitted to the developer. Accordingly, the village has recorded special assessments receivable and assessments payable within the fund financial statements. The current balance at year end was \$1,620,125 and is included in accounts payable on the statement of net assets.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2011, includes the following:

Governmental Activities

Invested in Capital Assets, Net of Related Debt	
Land	\$ 13,577,807
Other capital assets, net of accumulated depreciation	61,783,030
Less: Capital related long-term debt outstanding	<u>(16,139,904)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>59,220,933</u>
Restricted	
Impact fees	37,411
Library	112,160
TIF purposes	<u>4,354,275</u>
Total Restricted	<u>4,503,846</u>
Unrestricted (deficit)	<u>(3,764,048)</u>
Total Governmental Activities Net Assets	<u>\$ 59,960,731</u>

Governmental Funds

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

Nonspendable	
Major Funds	
General Fund	
Delinquent personal property taxes	\$ 64,644
Prepaid items	<u>1,293</u>
Total	<u>\$ 65,937</u>
Capital Projects Funds	
Prepaid items	<u>\$ 613,074</u>

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Restricted

Major Funds

Debt Service Fund

Debt service

\$ 355,159

General Capital Projects Fund

Unspent proceeds

498,189

Total

\$ 853,348

Nonmajor Funds

Special Revenue Funds

Police Impact Fee Fund

\$ 9,845

Fire Impact Fee Fund

7,730

Library Impact Fee Fund

2,573

Park and Recreation Impact Fee Fund

17,263

Library Fund

112,160

Capital Project Funds

TID No. 3

1,872,290

TID No. 4

1,772,183

TID No. 5

709,802

Total

\$ 4,503,846

Committed

Nonmajor Funds

Special Revenue Funds

Senior Van Replacement Fund

\$ 12,569

Police Asset Forfeiture Fund

8,350

Police Canine Fund

8,322

Historic Preservation Fund

18

Facility Fees Fund

22,285

Total

\$ 51,544

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Funds (cont.)

Assigned

General Fund

Payment in lieu of tax	\$ 548,954
Budget carryovers	<u>254,097</u>

Total	<u>\$ 803,051</u>
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General Capital Projects Fund	<u>\$ 1,079,892</u>
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Unassigned

Major Fund

General fund	<u>\$ 2,385,601</u>
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Business-type Activities

Invested in capital assets, net of related debt

Land	\$ 260,019
Other capital assets, net of accumulated depreciation	60,569,291
Less: Long-term debt outstanding	(1,649,069)
Plus: Noncapital portion of debt	<u>19,146</u>
Total Invested in Capital Assets, Net of Related Debt	<u>59,199,387</u>

Restricted

Equipment replacement	342,140
Debt service	106,878
Impact fees	<u>168,691</u>
Total Restricted	<u>617,709</u>

Unrestricted

	<u>5,396,419</u>
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Total Business-type Activities Net Assets	<u>\$ 65,213,515</u>
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VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

The payroll for village employees covered by the system for the year ended December 31, 2011 was \$6,738,384; the employer's total payroll was \$7,055,681. The total required contribution for the year ended December 31, 2011 was \$937,215 or 13.9% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2010 and 2009 were \$879,275 and \$813,630, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for 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 or beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 are immediately vested.

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

As of December 31, 2011 there was no pension related debt for the village.

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS December 31, 2011

NOTE IV - OTHER INFORMATION (cont.)

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.

	Fire Board
2011 current contribution	\$ 6,644

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 \$214,764 at year end and is reported in unrestricted net assets of the internal service funds.

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

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 68,238	\$ 74,810
Current year claims and changes in estimates	1,323,518	1,324,913
Claim payments	(1,316,946)	(1,395,304)
Unpaid Claims - End of Year	\$ 74,810	\$ 4,419

VILLAGE OF GERMANTOWN

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Funding for the operating budget of the village comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the village. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the village.

Construction Commitments

As of December 31, 2011, the village had approximately \$166,000 in outstanding construction commitments. These commitments relate to road repairs and other public works contracts.

D. SUBSEQUENT EVENTS

On March 27, 2012, the village issued general obligation promissory notes in the amount of \$6,260,000. The funds carry an average interest rate of 1.24% and were used to refund existing debt and to finance new street and drainage projects.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
General property taxes	\$ 8,782,197	\$ 8,782,197	\$ 8,782,197	\$ -
Other taxes	305,500	305,500	358,745	53,245
Intergovernmental	2,244,498	2,244,498	2,348,337	103,839
Regulation and compliance	778,880	778,880	913,636	134,756
Public charges for services	1,236,517	1,236,517	1,293,428	56,911
Investment income	30,000	30,000	42,244	12,244
Miscellaneous	133,900	133,900	149,664	15,764
Total Revenues	<u>13,511,492</u>	<u>13,511,492</u>	<u>13,888,251</u>	<u>376,759</u>
EXPENDITURES				
General Government				
Village board	160,844	160,844	153,901	6,943
Village administrator	117,611	117,611	110,023	7,588
Village clerk	219,449	219,449	228,043	(8,594)
Treasurer/accounting	196,266	196,266	191,862	4,404
Assessor	54,694	54,694	45,630	9,064
Data processing	93,166	93,166	88,642	4,524
General government	195,539	195,539	80,912	114,627
Buildings and ground maintenance	516,964	516,964	480,643	36,321
Total General Government	<u>1,554,533</u>	<u>1,554,533</u>	<u>1,379,656</u>	<u>174,877</u>
Public Safety				
Police protection	4,573,550	4,573,550	4,606,636	(33,086)
Fire protection	1,567,606	1,567,606	1,510,593	57,013
Emergency government	14,572	14,572	12,902	1,670
Protective inspections	217,570	217,570	208,278	9,292
Total Public Safety	<u>6,373,298</u>	<u>6,373,298</u>	<u>6,338,409</u>	<u>34,889</u>
Public Works				
Engineer/director	209,660	213,289	208,924	4,365
Highway and street maintenance and construction	2,775,425	2,775,425	2,736,821	38,604
Solid waste recycling	510,393	510,393	503,569	6,824
Total Public Works	<u>3,495,478</u>	<u>3,499,107</u>	<u>3,449,314</u>	<u>49,793</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (cont.)				
Culture and Recreation				
Library	\$ 832,821	\$ 894,634	\$ 816,626	\$ 78,008
Recreation	963,809	963,809	974,271	(10,462)
Parks	329,853	329,853	346,495	(16,642)
Senior center	118,422	122,422	114,561	7,861
Total Culture and Recreation	<u>2,244,905</u>	<u>2,310,718</u>	<u>2,251,953</u>	<u>58,765</u>
Conservation and Development				
Planning and zoning	153,477	153,477	153,459	18
Municipal development	61,881	82,831	45,713	37,118
Total Conservation and Development	<u>215,358</u>	<u>236,308</u>	<u>199,172</u>	<u>37,136</u>
Capital Outlay	112,355	120,855	113,176	7,679
Total Expenditures	<u>13,995,927</u>	<u>14,094,819</u>	<u>13,731,680</u>	<u>363,139</u>
 Excess (deficiency) of revenues over expenditures	 <u>(484,435)</u>	 <u>(583,327)</u>	 <u>156,571</u>	 <u>739,898</u>
OTHER FINANCING SOURCES				
Transfers in	484,435	488,064	556,583	68,519
Total Other Financing Sources	<u>484,435</u>	<u>488,064</u>	<u>556,583</u>	<u>68,519</u>
 Net Change in Fund Balance	 -	 (95,263)	 713,154	 808,417
 FUND BALANCE - Beginning of Year	 <u>2,541,435</u>	 <u>2,541,435</u>	 <u>2,541,435</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 2,541,435</u>	 <u>\$ 2,446,172</u>	 <u>\$ 3,254,589</u>	 <u>\$ 808,417</u>

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

VILLAGE OF GERMANTOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2011

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Amended Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Village clerk	\$ 219,449	\$ 228,043	\$ 8,594
Police protection	4,573,550	4,606,636	33,086
Recreation	963,809	974,271	10,462
Parks	329,853	346,495	16,642

SUPPLEMENTARY INFORMATION

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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, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,669,117	\$ 1,669,117	\$ 1,669,117	\$ -
Intergovernmental	48,946	48,946	48,947	1
Interdepartmental charges	54,825	54,825	95,000	40,175
Investment income	1,000	1,000	1,483	483
Total Revenues	<u>1,773,888</u>	<u>1,773,888</u>	<u>1,814,547</u>	<u>40,659</u>
EXPENDITURES				
Debt Service				
Principal	4,056,301	4,056,301	4,001,301	55,000
Interest and fiscal charges	1,081,816	869,343	1,079,467	(210,124)
Total Expenditures	<u>5,138,117</u>	<u>4,925,644</u>	<u>5,080,768</u>	<u>(155,124)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,364,229)</u>	<u>(3,151,756)</u>	<u>(3,266,221)</u>	<u>(114,465)</u>
OTHER FINANCING SOURCES				
Transfers in	3,362,708	3,362,708	3,387,420	24,712
Total Other Financing Sources	<u>3,362,708</u>	<u>3,362,708</u>	<u>3,387,420</u>	<u>24,712</u>
Net Change in Fund Balance	(1,521)	210,952	121,199	(89,753)
FUND BALANCE - Beginning of Year	<u>233,960</u>	<u>233,960</u>	<u>233,960</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 232,439</u>	<u>\$ 444,912</u>	<u>\$ 355,159</u>	<u>\$ (89,753)</u>

GENERAL CAPITAL PROJECTS FUND

The General Capital Projects Fund is used to account 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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 285,300	\$ 285,300	\$ 284,381	\$ (919)
Intergovernmental	50,783	50,783	88,937	38,154
Investment income	78,530	78,530	92,480	13,950
Miscellaneous	-	-	15,190	15,190
Total Revenues	<u>414,613</u>	<u>414,613</u>	<u>480,988</u>	<u>66,375</u>
EXPENDITURES				
Capital outlay	2,232,000	2,898,725	1,464,693	1,434,032
Debt Service				
Debt issuance costs	29,000	29,000	44,039	(15,039)
Total Expenditures	<u>2,261,000</u>	<u>2,927,725</u>	<u>1,508,732</u>	<u>1,418,993</u>
Excess (deficiency) of revenues over expenditures	<u>(1,846,387)</u>	<u>(2,513,112)</u>	<u>(1,027,744)</u>	<u>1,485,368</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation notes	2,200,000	2,200,000	2,200,000	-
Premium on long-term debt	-	-	83,886	83,886
Transfers out	(403,830)	(403,830)	(435,922)	(32,092)
Total Other Financing Sources (Uses)	<u>1,796,170</u>	<u>1,796,170</u>	<u>1,847,964</u>	<u>51,794</u>
Net Change in Fund Balance	(50,217)	(716,942)	820,220	1,537,162
FUND BALANCE - Beginning of Year	<u>1,370,935</u>	<u>1,370,935</u>	<u>1,370,935</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,320,718</u>	<u>\$ 653,993</u>	<u>\$ 2,191,155</u>	<u>\$ 1,537,162</u>

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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
December 31, 2011

	Special Revenue Funds				
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund	Park and Recreation Impact Fee Fund	Senior Van Replacement Fund
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 12,510
Due from other funds	-	-	-	-	-
Receivables					
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	59
Cash and investments	9,799	7,694	2,561	17,183	-
Interest	46	36	12	80	-
	<u>9,845</u>	<u>7,730</u>	<u>2,573</u>	<u>17,263</u>	<u>12,569</u>
TOTAL ASSETS	\$ 9,845	\$ 7,730	\$ 2,573	\$ 17,263	\$ 12,569
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	9,845	7,730	2,573	17,263	-
Committed	-	-	-	-	12,569
Total Fund Balances	<u>9,845</u>	<u>7,730</u>	<u>2,573</u>	<u>17,263</u>	<u>12,569</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,845	\$ 7,730	\$ 2,573	\$ 17,263	\$ 12,569

Special Revenue Funds					Capital Projects Funds	
Police Asset Forfeiture Fund	Police Canine Fund	Historic Preservation Fund	Library Fund	Facility Fees Fund	TID No. 3 Capital Projects Fund	TID No. 4 Capital Projects Fund
\$ 5,517 2,807	\$ 8,441 -	\$ 18 -	\$ 112,160 -	\$ 22,181 -	\$ 1,872,290 -	\$ 1,772,939 -
-	-	-	-	-	1,458,240	1,083,425
26	34	-	-	104	-	-
-	-	-	-	-	-	-
<u>8,350</u>	<u>8,475</u>	<u>18</u>	<u>112,160</u>	<u>22,285</u>	<u>3,330,530</u>	<u>2,856,364</u>
\$ -	\$ 153	\$ -	\$ -	\$ -	\$ -	\$ 756
-	-	-	-	-	1,458,240	1,083,425
-	153	-	-	-	1,458,240	1,084,181
-	-	-	112,160	-	1,872,290	1,772,183
8,350	8,322	18	-	22,285	-	-
<u>8,350</u>	<u>8,322</u>	<u>18</u>	<u>112,160</u>	<u>22,285</u>	<u>1,872,290</u>	<u>1,772,183</u>
<u>8,350</u>	<u>8,475</u>	<u>18</u>	<u>112,160</u>	<u>22,285</u>	<u>3,330,530</u>	<u>2,856,364</u>

VILLAGE OF GERMANTOWN

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2011

	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS	TID No. 5 Capital Projects Fund	
Cash and investments	\$ 709,802	\$ 4,515,858
Due from other funds	-	2,807
Receivables		
Taxes	271,008	2,812,673
Accrued interest	-	223
Cash and investments	-	37,237
Interest	-	174
	\$ 980,810	\$ 7,368,972
TOTAL ASSETS		
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ 909
Deferred revenues	271,008	2,812,673
Total Liabilities	271,008	2,813,582
Fund Balances		
Restricted	709,802	4,503,846
Committed	-	51,544
Total Fund Balances	709,802	4,555,390
TOTAL LIABILITIES AND FUND BALANCES	\$ 980,810	\$ 7,368,972

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VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2011

	Special Revenue Funds		
	Police Impact Fee Fund	Fire Impact Fee Fund	Library Impact Fee Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Public charges for services	3,915	7,546	2,248
Investment income (loss)	(134)	(391)	(443)
Miscellaneous	-	-	-
Total Revenues	3,781	7,155	1,805
EXPENDITURES			
Current			
Public safety	-	-	-
Culture and recreation	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	3,781	7,155	1,805
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(65,761)	(7,500)	(4,500)
Total Other Financing Sources (Uses)	(65,761)	(7,500)	(4,500)
Net Change in Fund Balances	(61,980)	(345)	(2,695)
FUND BALANCES - Beginning of Year	71,825	8,075	5,268
FUND BALANCES - END OF YEAR	\$ 9,845	\$ 7,730	\$ 2,573

Special Revenue 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
\$ -	\$ -	\$ -	\$ -	\$ 695	\$ -	\$ -
-	-	-	-	-	-	-
5,888	2,769	-	-	-	-	18,787
(1,222)	60	28	20	5	507	286
-	-	4,158	10,440	-	7,015	-
<u>4,666</u>	<u>2,829</u>	<u>4,186</u>	<u>10,460</u>	<u>700</u>	<u>7,522</u>	<u>19,073</u>
-	-	3,828	6,188	-	-	-
-	-	-	-	682	4,340	10,431
-	-	-	-	-	-	-
-	-	<u>3,828</u>	<u>6,188</u>	<u>682</u>	<u>4,340</u>	<u>10,431</u>
<u>4,666</u>	<u>2,829</u>	<u>358</u>	<u>4,272</u>	<u>18</u>	<u>3,182</u>	<u>8,642</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,666	2,829	358	4,272	18	3,182	8,642
<u>12,597</u>	<u>9,740</u>	<u>7,992</u>	<u>4,050</u>	<u>-</u>	<u>108,978</u>	<u>13,643</u>
<u>\$ 17,263</u>	<u>\$ 12,569</u>	<u>\$ 8,350</u>	<u>\$ 8,322</u>	<u>\$ 18</u>	<u>\$ 112,160</u>	<u>\$ 22,285</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2011

	Capital Projects Funds			Total Nonmajor Governmental Funds
	TID No. 3 Capital Projects Fund	TID No. 4 Capital Projects Fund	TID No. 5 Capital Projects Fund	
REVENUES				
Taxes	\$ 1,488,630	\$ 1,163,986	\$ 293,932	\$ 2,947,243
Intergovernmental	23,066	24,180	1,560	48,806
Public charges for services	-	-	-	41,153
Investment income (loss)	6,707	4,690	2,257	12,370
Miscellaneous	-	700,050	-	721,663
Total Revenues	<u>1,518,403</u>	<u>1,892,906</u>	<u>297,749</u>	<u>3,771,235</u>
EXPENDITURES				
Current				
Public safety	-	-	-	10,016
Culture and recreation	-	-	-	15,453
Capital Outlay	1,507	187,518	1,350	190,375
Total Expenditures	<u>1,507</u>	<u>187,518</u>	<u>1,350</u>	<u>215,844</u>
Excess (deficiency) of revenues over expenditures	<u>1,516,896</u>	<u>1,705,388</u>	<u>296,399</u>	<u>3,555,391</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000,000	-	1,000,000
Transfers out	(1,935,284)	(1,783,653)	(162,429)	(3,959,127)
Total Other Financing Sources (Uses)	<u>(1,935,284)</u>	<u>(783,653)</u>	<u>(162,429)</u>	<u>(2,959,127)</u>
Net Change in Fund Balances	(418,388)	921,735	133,970	596,264
FUND BALANCES - Beginning of Year	<u>2,290,678</u>	<u>850,448</u>	<u>575,832</u>	<u>3,959,126</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,872,290</u>	<u>\$ 1,772,183</u>	<u>\$ 709,802</u>	<u>\$ 4,555,390</u>

VILLAGE OF GERMANTOWN

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE IMPACT FEE FUND For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 1,480	\$ 1,480	\$ 3,915	\$ 2,435
Investment income (loss)	300	300	(134)	(434)
Total Revenues	<u>1,780</u>	<u>1,780</u>	<u>3,781</u>	<u>2,001</u>
 OTHER FINANCING USES				
Transfers out	(65,761)	(65,761)	(65,761)	-
Total Other Financing Uses	<u>(65,761)</u>	<u>(65,761)</u>	<u>(65,761)</u>	<u>-</u>
 Net Change in Fund Balance	(63,981)	(63,981)	(61,980)	2,001
 FUND BALANCE - Beginning of Year	<u>71,825</u>	<u>71,825</u>	<u>71,825</u>	<u>-</u>
 FUND BALANCE - END OF YEAR	<u>\$ 7,844</u>	<u>\$ 7,844</u>	<u>\$ 9,845</u>	<u>\$ 2,001</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 2,260	\$ 2,260	\$ 7,546	\$ 5,286
Investment income (loss)	100	100	(391)	(491)
Total Revenues	<u>2,360</u>	<u>2,360</u>	<u>7,155</u>	<u>4,795</u>
OTHER FINANCING USES				
Transfers out	(7,500)	(7,500)	(7,500)	-
Total Other Financing Uses	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net Change in Fund Balance	(5,140)	(5,140)	(345)	4,795
FUND BALANCE - Beginning of Year	<u>8,075</u>	<u>8,075</u>	<u>8,075</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,935</u>	<u>\$ 2,935</u>	<u>\$ 7,730</u>	<u>\$ 4,795</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 1,405	\$ 1,405	\$ 2,248	\$ 843
Investment income (loss)	15	15	(443)	(458)
Total Revenues	<u>1,420</u>	<u>1,420</u>	<u>1,805</u>	<u>385</u>
OTHER FINANCING USES				
Transfers out	(4,500)	(4,500)	(4,500)	-
Total Other Financing Uses	<u>(4,500)</u>	<u>(4,500)</u>	<u>(4,500)</u>	<u>-</u>
Net Change in Fund Balance	(3,080)	(3,080)	(2,695)	385
FUND BALANCE - Beginning of Year	<u>5,268</u>	<u>5,268</u>	<u>5,268</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,188</u>	<u>\$ 2,188</u>	<u>\$ 2,573</u>	<u>\$ 385</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 3,680	\$ 3,680	\$ 5,888	\$ 2,208
Investment income (loss)	200	200	(1,222)	(1,422)
Total Revenues	<u>3,880</u>	<u>3,880</u>	<u>4,666</u>	<u>786</u>
Net Change in Fund Balance	3,880	3,880	4,666	786
FUND BALANCE - Beginning of Year	<u>12,597</u>	<u>12,597</u>	<u>12,597</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 16,477</u>	<u>\$ 16,477</u>	<u>\$ 17,263</u>	<u>\$ 786</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public charges for services	\$ 2,600	\$ 2,600	\$ 2,769	\$ 169
Investment income	185	185	60	(125)
Total Revenues	<u>2,785</u>	<u>2,785</u>	<u>2,829</u>	<u>44</u>
Net Change in Fund Balance	2,785	2,785	2,829	44
FUND BALANCE - Beginning of Year	<u>9,740</u>	<u>9,740</u>	<u>9,740</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,525</u>	<u>\$ 12,525</u>	<u>\$ 12,569</u>	<u>\$ 44</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 150	\$ 150	\$ 28	\$ (122)
Miscellaneous	<u>-</u>	<u>-</u>	<u>4,158</u>	<u>4,158</u>
Total Revenues	<u>150</u>	<u>150</u>	<u>4,186</u>	<u>4,036</u>
EXPENDITURES				
Current:				
Public safety	<u>4,000</u>	<u>4,000</u>	<u>3,828</u>	<u>172</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,828</u>	<u>172</u>
Excess (deficiency) of revenues over expenditures	<u>(3,850)</u>	<u>(3,850)</u>	<u>358</u>	<u>4,208</u>
Net Change in Fund Balance	<u>(3,850)</u>	<u>(3,850)</u>	<u>358</u>	<u>4,208</u>
FUND BALANCE - Beginning of Year	<u>7,992</u>	<u>7,992</u>	<u>7,992</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,142</u>	<u>\$ 4,142</u>	<u>\$ 8,350</u>	<u>\$ 4,208</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 200	\$ 200	\$ 20	\$ (180)
Miscellaneous	7,000	7,000	10,440	3,440
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>10,460</u>	<u>3,260</u>
EXPENDITURES				
Current:				
Public safety	5,000	5,000	6,188	(1,188)
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,188</u>	<u>(1,188)</u>
Excess (deficiency) of revenues over expenditures	<u>2,200</u>	<u>2,200</u>	<u>4,272</u>	<u>2,072</u>
Net Change in Fund Balance	2,200	2,200	4,272	2,072
FUND BALANCE - Beginning of Year	<u>4,050</u>	<u>4,050</u>	<u>4,050</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ 8,322</u>	<u>\$ 2,072</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 695	\$ 695	\$ 695	\$ -
Investment income	5	5	5	-
Total Revenues	<u>700</u>	<u>700</u>	<u>700</u>	<u>-</u>
EXPENDITURES				
Current:				
Culture and recreation	-	695	682	13
Total Expenditures	<u>-</u>	<u>695</u>	<u>682</u>	<u>13</u>
Excess of revenues over expenditures	<u>700</u>	<u>5</u>	<u>18</u>	<u>13</u>
Net Change in Fund Balance	700	5	18	13
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 700</u>	<u>\$ 5</u>	<u>\$ 18</u>	<u>\$ 13</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 800	\$ 800	\$ 507	\$ (293)
Miscellaneous	700	700	7,015	6,315
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>7,522</u>	<u>6,022</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	4,340	(4,340)
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,340</u>	<u>(4,340)</u>
Excess of revenues over expenditures	<u>1,500</u>	<u>1,500</u>	<u>3,182</u>	<u>1,682</u>
Net Change in Fund Balance	1,500	1,500	3,182	1,682
FUND BALANCE - Beginning of Year	<u>108,978</u>	<u>108,978</u>	<u>108,978</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 110,478</u>	<u>\$ 110,478</u>	<u>\$ 112,160</u>	<u>\$ 1,682</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public charges for services	\$ 30,000	\$ 30,000	\$ 18,787	\$ (11,213)
Investment income	75	75	286	211
Total Revenues	<u>30,075</u>	<u>30,075</u>	<u>19,073</u>	<u>(11,002)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	7,000	10,431	(3,431)
Total Expenditures	<u>-</u>	<u>7,000</u>	<u>10,431</u>	<u>(3,431)</u>
Excess of revenues over expenditures	<u>30,075</u>	<u>23,075</u>	<u>8,642</u>	<u>(14,433)</u>
Net Change in Fund Balance	30,075	23,075	8,642	(14,433)
FUND BALANCE - Beginning of Year	<u>13,643</u>	<u>13,643</u>	<u>13,643</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 43,718</u>	<u>\$ 36,718</u>	<u>\$ 22,285</u>	<u>\$ (14,433)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,488,630	\$ (61,370)
Intergovernmental	27,000	27,000	23,066	(3,934)
Investment income	3,000	3,000	6,707	3,707
Total Revenues	<u>1,580,000</u>	<u>1,580,000</u>	<u>1,518,403</u>	<u>(61,597)</u>
EXPENDITURES				
Capital outlay	1,350	1,350	1,507	(157)
Total Expenditures	<u>1,350</u>	<u>1,350</u>	<u>1,507</u>	<u>(157)</u>
Excess of revenues over expenditures	<u>1,578,650</u>	<u>1,578,650</u>	<u>1,516,896</u>	<u>(61,754)</u>
OTHER FINANCING USES				
Transfers out	(1,935,284)	(1,935,284)	(1,935,284)	-
Total Other Financing Uses	<u>(1,935,284)</u>	<u>(1,935,284)</u>	<u>(1,935,284)</u>	<u>-</u>
Net Change in Fund Balance	(356,634)	(356,634)	(418,388)	(61,754)
FUND BALANCE - Beginning of Year	<u>2,290,678</u>	<u>2,290,678</u>	<u>2,290,678</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,934,044</u>	<u>\$ 1,934,044</u>	<u>\$ 1,872,290</u>	<u>\$ (61,754)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 898,000	\$ 898,000	\$ 1,163,986	\$ 265,986
Intergovernmental	24,000	24,000	24,180	180
Investment income	1,300	1,300	4,690	3,390
Miscellaneous	-	-	700,050	700,050
Total Revenues	<u>923,300</u>	<u>923,300</u>	<u>1,892,906</u>	<u>969,606</u>
EXPENDITURES				
Capital outlay	<u>24,944</u>	<u>24,944</u>	<u>187,518</u>	<u>(162,574)</u>
Total Expenditures	<u>24,944</u>	<u>24,944</u>	<u>187,518</u>	<u>(162,574)</u>
Excess of revenues over expenditures	<u>898,356</u>	<u>898,356</u>	<u>1,705,388</u>	<u>807,032</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	<u>(1,783,903)</u>	<u>(1,783,903)</u>	<u>(1,783,653)</u>	<u>250</u>
Total Other Financing Sources (Uses)	<u>(783,903)</u>	<u>(783,903)</u>	<u>(783,653)</u>	<u>250</u>
Net Change in Fund Balance	114,453	114,453	921,735	807,282
FUND BALANCE - Beginning of Year	<u>850,448</u>	<u>850,448</u>	<u>850,448</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 964,901</u>	<u>\$ 964,901</u>	<u>\$ 1,772,183</u>	<u>\$ 807,282</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 249,000	\$ 249,000	\$ 293,932	\$ 44,932
Intergovernmental	2,000	2,000	1,560	(440)
Investment income	1,600	1,600	2,257	657
Total Revenues	<u>252,600</u>	<u>252,600</u>	<u>297,749</u>	<u>45,149</u>
EXPENDITURES				
Capital outlay	1,471	1,471	1,350	121
Total Expenditures	<u>1,471</u>	<u>1,471</u>	<u>1,350</u>	<u>121</u>
Excess of revenues over expenditures	<u>251,129</u>	<u>251,129</u>	<u>296,399</u>	<u>45,270</u>
OTHER FINANCING USES				
Transfers out	(161,929)	(161,929)	(162,429)	(500)
Total Other Financing Uses	<u>(161,929)</u>	<u>(161,929)</u>	<u>(162,429)</u>	<u>(500)</u>
Net Change in Fund Balance	89,200	89,200	133,970	44,770
FUND BALANCE - Beginning of Year	<u>518,755</u>	<u>518,755</u>	<u>575,832</u>	<u>57,077</u>
FUND BALANCE - END OF YEAR	<u>\$ 607,955</u>	<u>\$ 607,955</u>	<u>\$ 709,802</u>	<u>\$ 101,847</u>

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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 ASSETS
INTERNAL SERVICE FUNDS
December 31, 2011**

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 50,046	\$ 82,307	\$ 132,353
Receivables			
Accounts	86,188	125	86,313
Interest	<u>227</u>	<u>290</u>	<u>517</u>
Total Assets	<u>136,461</u>	<u>82,722</u>	<u>219,183</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>-</u>	<u>4,419</u>	<u>4,419</u>
Total Liabilities	<u>-</u>	<u>4,419</u>	<u>4,419</u>
NET ASSETS			
Unrestricted	<u>136,461</u>	<u>78,303</u>	<u>214,764</u>
TOTAL NET ASSETS	<u><u>\$ 136,461</u></u>	<u><u>\$ 78,303</u></u>	<u><u>\$ 214,764</u></u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2011

	<u>Health Insurance Fund</u>	<u>Dental Insurance Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Premiums	\$ 1,561,430	\$ 91,806	\$ 1,653,236
Total Operating Revenues	<u>1,561,430</u>	<u>91,806</u>	<u>1,653,236</u>
OPERATING EXPENSES			
General government	<u>1,739,381</u>	<u>83,176</u>	<u>1,822,557</u>
Total Operating Expenses	<u>1,739,381</u>	<u>83,176</u>	<u>1,822,557</u>
Operating Income (Loss)	<u>(177,951)</u>	<u>8,630</u>	<u>(169,321)</u>
NONOPERATING REVENUES			
Investment income	<u>1,931</u>	<u>714</u>	<u>2,645</u>
Total Nonoperating Revenues	<u>1,931</u>	<u>714</u>	<u>2,645</u>
Change in net assets	(176,020)	9,344	(166,676)
NET ASSETS - Beginning of Year	<u>312,481</u>	<u>68,959</u>	<u>381,440</u>
NET ASSETS - END OF YEAR	<u>\$ 136,461</u>	<u>\$ 78,303</u>	<u>\$ 214,764</u>

VILLAGE OF GERMANTOWN

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2011

	Health Insurance Fund	Dental Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 1,475,904	\$ 91,806	\$ 1,567,710
Paid to suppliers for goods and services	<u>(1,808,624)</u>	<u>(84,324)</u>	<u>(1,892,948)</u>
Net Cash Flows From Operating Activities	<u>(332,720)</u>	<u>7,482</u>	<u>(325,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>1,915</u>	<u>565</u>	<u>2,480</u>
Net Cash Flows From Investing Activities	<u>1,915</u>	<u>565</u>	<u>2,480</u>
 Net Change in Cash and Cash Equivalents	 (330,805)	 8,047	 (322,758)
 CASH AND CASH EQUIVALENTS - Beginning of Year	 <u>380,851</u>	 <u>74,260</u>	 <u>455,111</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 50,046</u>	 <u>\$ 82,307</u>	 <u>\$ 132,353</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (177,951)	\$ 8,630	\$ (169,321)
Changes in assets and liabilities			
Accounts receivable	(85,526)	-	(85,526)
Accounts payable	<u>(69,243)</u>	<u>(1,148)</u>	<u>(70,391)</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ (332,720)</u>	 <u>\$ 7,482</u>	 <u>\$ (325,238)</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

FIDUCIARY FUND

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

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

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

VILLAGE OF GERMANTOWN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND For the Year Ended December 31, 2011

	Balance 1-1-11	Additions	Deductions	Balance 12-31-11
TAX COLLECTION FUND				
Assets				
Cash and investments	\$ 24,520,871	\$ 22,988,632	\$ 24,520,871	\$ 22,988,632
Taxes receivable	<u>9,539,423</u>	<u>10,519,276</u>	<u>9,539,423</u>	<u>10,519,276</u>
TOTAL ASSETS	<u>\$ 34,060,294</u>	<u>\$ 33,507,908</u>	<u>\$ 34,060,294</u>	<u>\$ 33,507,908</u>
Liabilities				
Accounts payable	\$ 86,630	\$ 143,348	\$ 86,630	\$ 143,348
Due to other governments	<u>33,973,664</u>	<u>33,364,560</u>	<u>33,973,664</u>	<u>33,364,560</u>
TOTAL LIABILITIES	<u>\$ 34,060,294</u>	<u>\$ 33,507,908</u>	<u>\$ 34,060,294</u>	<u>\$ 33,507,908</u>

Statistical Section

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

FINANCIAL TRENDS – Tables 1-4

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

- Schedule 1 – Statement of Net Assets by Component
- Schedule 2 – Changes in Net Assets
- 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 - 23

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

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 Assets by Component
(Accrual Basis of Accounting)
Last Nine Fiscal Years

Table 1

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	11,361,401	11,346,524	15,215,878	18,315,569	59,170,101	60,629,681	60,703,733	60,262,007	59,220,933
Restricted	343,673	312,558	416,490	418,460	274,575	270,559	197,242	206,743	4,503,846
Unrestricted (deficit)	(13,197,394)	(10,082,677)	(11,561,493)	(10,645,920)	(6,989,638)	(6,601,150)	(5,002,450)	(2,677,990)	(3,764,048)
Total governmental activities net assets	(1,492,320)	1,576,405	4,070,875	8,088,109	52,455,038	54,299,090	55,898,525	57,790,760	59,960,731
Business-type activities									
Invested in capital assets, net of related debt	51,928,375	52,831,386	55,106,212	57,294,509	57,837,003	59,454,979	60,229,375	59,584,183	59,199,387
Restricted	249,373	252,358	331,934	912,566	980,003	791,539	809,221	686,986	624,121
Unrestricted	11,713,722	12,141,311	10,326,150	8,755,011	8,538,585	6,928,221	5,616,294	5,317,582	5,390,007
Total business-type activities net assets	63,891,470	65,225,055	65,764,296	66,962,086	67,355,591	67,174,739	66,654,890	65,588,751	65,213,515
Primary Government									
Invested in capital assets, net of related debt	63,289,776	64,177,910	70,322,090	75,610,078	115,535,791	120,084,660	119,825,570	118,990,035	117,692,446
Restricted	593,046	564,916	748,424	1,331,026	1,254,578	1,062,098	1,006,463	893,729	5,127,967
Unrestricted	(1,483,672)	2,058,634	(1,235,343)	(1,890,909)	3,020,260	327,071	1,721,382	3,495,747	2,353,833
Total primary government net assets	62,399,150	66,801,460	69,835,171	75,050,195	119,810,629	121,473,829	122,553,415	123,379,511	125,174,246

*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
Changes in Net Assets
(Accrual Basis of Accounting)
Last Nine Fiscal Years

Table 2

Expenses	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
General government	1,443,650	1,555,242	1,515,389	1,578,821	1,586,703	2,442,247	1,971,196	1,699,476	1,716,352
Public safety	5,341,557	5,369,421	6,172,911	6,471,825	6,681,154	7,019,248	6,614,304	6,990,716	7,018,081
Public works	2,561,884	2,882,269	3,135,136	2,955,348	4,845,105	4,915,205	4,656,839	4,910,645	5,419,423
Culture and recreation	1,807,550	1,874,447	1,895,082	1,945,603	2,301,880	2,498,668	2,359,466	2,433,334	2,505,974
Conservation and development	927,754	211,065	274,927	341,906	414,328	689,757	343,793	308,014	269,046
Interest & Fiscal charges	1,917,781	1,720,602	1,710,309	1,737,875	1,515,214	1,512,404	1,392,104	1,235,140	1,113,907
Total governmental activities expense	14,000,176	13,613,046	14,703,754	15,031,178	17,344,384	19,077,529	17,337,702	17,577,325	18,042,783
Business-type activities									
Water	1,181,350	1,373,247	1,720,514	2,060,422	1,695,380	2,024,793	1,604,727	1,814,474	1,846,078
Wastewater	3,267,589	3,562,230	4,498,540	4,550,535	4,652,053	5,014,472	4,796,423	5,016,187	5,202,166
Total business-type activities expenses	4,448,939	4,935,477	6,219,054	6,610,957	6,347,433	7,039,265	6,401,150	6,830,661	7,048,244
Total primary government expenses	18,449,115	18,548,523	20,922,808	21,642,135	23,691,817	26,116,794	23,738,852	24,407,986	25,091,027
Program Revenues									
Governmental activities									
Charges for Services									
General government	168,035	192,411	211,804	233,533	204,502	263,333	265,483	279,204	266,974
Public safety	729,005	688,114	928,391	758,944	786,486	877,071	719,415	731,949	828,539
Public works	185,885	197,641	176,806	207,661	286,385	249,199	190,342	166,902	242,763
Culture and recreation	298,994	319,599	351,716	391,106	550,741	787,828	839,153	926,718	887,803
Conservation and development	19,552	24,884	19,145	10,788	16,619	14,638	8,562	7,973	8,487
Operating grants and contributions	1,359,219	1,403,007	1,542,257	1,562,009	1,406,230	1,463,307	1,430,906	1,466,068	1,590,826
Capital grants and contributions	3,145,386	1,407,101	811,953	2,283,484	262,821	2,468,296	617,381	370,030	65,370
Total governmental activities program revenues	5,906,076	4,232,757	4,042,072	5,447,525	3,513,784	6,123,672	4,071,242	3,948,844	3,890,762
Business-type activities									
Charges for services:									
Water and Wastewater	4,890,764	5,194,592	5,088,748	5,111,457	5,293,989	5,306,858	5,353,302	5,806,478	6,612,628
Capital Grants and contributions	3,297,441	1,124,030	1,777,058	1,840,802	1,429,684	1,721,377	956,876	432,757	579,958
Total business-type activities program revenues	8,188,205	6,318,622	6,865,806	6,952,259	6,723,673	7,028,235	6,310,178	6,239,235	7,192,586
Total primary government program revenues	14,094,281	10,551,379	10,907,878	12,399,784	10,237,457	13,151,907	10,381,420	10,188,079	11,083,348
Net (Expense) Revenue									
Governmental Activities	(8,094,100)	(9,380,289)	(10,661,682)	(9,583,653)	(13,830,600)	(12,953,857)	(13,266,460)	(13,628,481)	(14,152,021)
Business-type Activities	3,739,266	1,383,145	646,752	341,302	376,240	(11,030)	(90,972)	(591,426)	144,342
Total Primary government net expense	(4,354,834)	(7,997,144)	(10,014,930)	(9,242,351)	(13,454,360)	(12,964,887)	(13,357,432)	(14,219,907)	(14,007,679)
General Revenues and Other Changes in Net Assts									
Governmental Activities:									
Taxes									
Property Taxes	9,956,125	10,503,547	10,964,398	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302
Intergovernmental revenues	992,227	816,601	815,600	764,356	745,847	721,801	1,006,788	987,881	971,494
Investment income	152,328	174,538	420,016	744,941	780,428	515,428	143,110	111,559	151,222
Other	746,475	732,503	535,523	313,916	549,603	701,768	355,390	399,508	893,020
Total Government Activities	11,847,155	12,227,189	12,735,537	13,162,791	14,045,665	14,351,150	14,381,460	14,987,069	15,773,038
Business-type Activities:									
Investment Income	163,904	142,265	313,104	477,402	439,874	276,937	55,558	58,934	29,376
Other	-	-	-	7,194	4,246	-	-	-	-
Total Business-type Activities	163,904	142,265	313,104	484,596	444,120	276,937	55,558	58,934	29,376
Total Primary Government	12,011,059	12,369,454	13,048,641	13,647,387	14,489,785	14,628,087	14,437,018	15,046,003	15,802,414
Change in Net Assets									
Governmental Activities	3,753,055	2,846,900	2,073,855	3,579,138	641,920	1,844,052	1,599,435	1,892,235	2,169,971
Business-type Activities	3,903,170	1,525,410	959,856	825,898	393,505	(180,852)	(519,849)	(1,066,139)	(375,236)
Total Primary Government	7,656,225	4,372,310	3,033,711	4,405,036	1,035,425	1,663,200	1,079,586	826,096	1,794,735

Note: The village began to report accrual information when it implemented GASB Statement #34 in fiscal year 2003
Infrastructure reporting prior to 2003 was completed in 2007

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

Table 3

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved for:									
Non-current receivables	256,260	87,722	31,385	72,297	53,389	78,841	88,735	99,505	-
Payment in lieu of taxes	450,196	435,938	420,615	397,051	426,855	446,759	484,435	533,647	-
Designated for carryovers	-	-	-	-	-	-	-	91,263	-
Undesignated	1,647,683	1,651,294	1,499,601	1,351,728	1,274,521	919,250	1,277,719	1,817,020	-
Nonspendable	-	-	-	-	-	-	-	-	65,937
Assigned - payment in lieu of taxes	-	-	-	-	-	-	-	-	548,954
Assigned - carryovers	-	-	-	-	-	-	-	-	254,097
Unassigned	-	-	-	-	-	-	-	-	2,385,601
Total general fund	2,354,139	2,174,954	1,951,601	1,821,076	1,754,765	1,444,850	1,850,889	2,541,435	3,254,589
All Other Governmental Funds									
Reserved for:									
Debt Service Fund	1,066,934	456,158	270,456	96,166	91,956	(160,612)	40,002	233,960	-
Impact fees	354,413	312,558	318,562	317,792	170,204	164,883	89,031	97,765	-
Capital projects funds	79,055	-	-	-	-	-	-	-	-
Unreserved, reported in:									
Subsequent year's budget	-	-	61,327	71,988	-	-	-	-	-
Special revenue funds	61,679	82,219	128,475	131,510	156,964	141,272	144,210	144,403	-
Capital projects funds	7,295,382	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
Committed	-	-	-	-	-	-	-	-	51,544
Assigned	-	-	-	-	-	-	-	-	1,079,892
Total all other governmental funds	8,857,463	8,448,056	8,755,253	9,600,697	11,140,838	6,473,945	5,544,484	5,564,021	7,101,704
Total fund balance, governmental funds	11,211,602	10,623,010	10,706,854	11,421,773	12,895,603	7,918,795	7,395,373	8,105,456	10,356,293

*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
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 Nine Fiscal Years

Table 4

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Taxes	9,966,232	10,506,625	10,964,398	11,339,578	11,969,787	12,412,153	12,876,172	13,488,121	13,757,302
Special Assessments	121,386	121,386	58,423	42,981	41,197	360,183	314,115	263,451	284,381
Intergovernmental	2,379,851	2,154,831	2,452,568	2,241,776	2,066,985	2,130,360	2,392,593	2,607,078	2,535,027
Regulation and compliance	782,948	832,182	942,782	815,177	879,076	1,001,331	808,421	813,443	913,636
Public charges for services	932,458	665,898	1,060,822	639,198	1,015,107	1,189,955	1,206,923	1,285,042	1,334,581
Interdepartmental charges		15,166	55,527	47,879	47,507	49,819	61,995	53,000	95,000
Interest income	158,043	175,714	417,500	738,942	768,997	508,194	148,150	106,457	148,577
Miscellaneous	1,172,691	1,514,008	660,073	199,944	318,030	230,299	244,627	249,299	886,517
Total Revenues	15,392,223	15,985,810	16,612,093	16,265,475	17,106,686	17,882,294	18,052,996	18,865,891	19,955,021
Expenditures									
General Government	1,636,244	1,305,209	1,312,717	1,362,802	1,394,515	1,720,719	1,406,082	1,379,302	1,379,656
Public Safety	4,929,264	5,031,800	5,507,188	5,746,110	6,098,318	6,255,463	6,234,761	6,300,325	6,348,425
Public Works	2,340,229	2,450,913	2,668,468	2,661,380	2,869,919	3,185,020	2,895,063	3,019,435	3,449,314
Culture and recreation	1,620,078	1,603,563	1,780,942	1,732,756	1,947,208	2,155,065	2,142,035	2,198,980	2,267,406
Conservation and development	206,403	192,877	195,938	259,997	208,872	234,035	222,248	207,684	199,172
Capital Outlay	3,594,403	1,828,311	1,092,334	1,464,489	2,696,907	5,782,571	2,140,462	2,124,425	1,768,244
Debt Service									
Principal retirement	2,855,000	2,895,000	3,160,000	3,902,919	4,043,705	4,391,009	8,056,367	4,087,338	4,001,301
Interest and fiscal charges	1,867,400	1,871,891	1,580,597	1,484,269	1,465,533	1,435,035	1,348,891	1,056,393	1,079,467
Debt issuance costs	111,733	55,620	75,054	37,625	83,873	5,384	50,656	100,434	44,039
Total Expenditures	19,160,754	17,235,184	17,373,238	18,652,347	20,808,850	25,164,301	24,496,565	20,474,316	20,537,024
Excess (Deficiency) of Revenues Over Expenditures	(3,768,531)	(1,249,374)	(761,145)	(2,386,872)	(3,702,164)	(7,282,007)	(6,443,569)	(1,608,425)	(582,003)
Other Financing Sources (Uses):									
Proceeds from the sale of land	-	-	-	103,990	334,080	363,940	-	-	-
Long-term debt issued	10,744,000	5,995,000	445,000	2,520,000	4,410,000	1,480,000	1,695,172	1,795,000	2,200,000
Refunding debt issues	-	-	5,505,000	-	-	-	3,740,000	3,905,000	-
Premium on long-term debt	10,902	-	57,148	39,705	5,059	-	-	3,740	83,886
Discount on debt issuance	(26,891)	-	-	-	-	-	-	-	-
Payment to escrow agent	(4,609,836)	(5,762,180)	(5,582,774)	-	-	-	-	(3,918,339)	-
Transfers In	3,140,590	3,401,628	4,329,073	5,481,301	4,203,589	4,289,162	4,278,973	4,810,633	4,944,003
Transfers Out	(2,753,267)	(2,973,666)	(3,908,458)	(5,043,205)	(3,776,734)	(3,827,903)	(3,794,538)	(4,276,986)	(4,395,049)
Total Other Financing Sources (Uses)	6,505,496	660,782	844,989	3,101,791	5,175,994	2,305,199	5,919,607	2,319,048	2,832,840
Net Change in Fund Balances	2,736,965	(588,592)	83,844	714,919	1,473,830	(4,976,808)	(523,962)	710,623	2,250,837
Debt Service as a percentage of noncapital expenditures	30.34%	30.94%	29.12%	31.34%	30.42%	30.06%	42.07%	28.03%	27.07%

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		Total Direct Tax Rate	Ratio of Assessed to Equalized
	Assessed	Equalized Value	Assessed	Equalized Value	Assessed	Equalized Value		
2002	1,492,768,400	1,554,318,600	51,056,600	52,372,300	1,543,825,000	1,606,690,900	0.531	96.09%
2003	1,554,738,900	1,724,496,800	43,866,650	49,210,500	1,598,605,550	1,773,707,300	0.533	90.13%
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%

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	
2002	4.05	1.25	0.01	5.31	12.12	3.80	2.09	0.21	23.53
2003	4.09	1.24	0.00	5.33	12.33	3.82	2.19	0.22	23.89
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

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

Village of Germantown, Wisconsin
Principal Property Tax Payers
Current Year and Nine Years Ago

Table 7

Taxpayer	2011		2002	
	Estimated Equalized Value ₁	Percentage Village's Total Equalized Value	Taxable Equalized Value	Percentage Village's Total Equalized Value
The Gables of Germantown LLC	17,819,864	0.76%		
Meridian Germantown LLC	17,566,149	0.75%		
Cambridge Major Laboratories	16,423,043	0.70%		
Sentinel Germantown	15,533,170	0.66%		
Waste Management	13,657,811	0.58%		
Stonehedge Properties	12,588,690	0.54%	11,831,000	0.74%
Menard's	10,728,923	0.46%		
Phylmack LLC	10,604,840	0.45%		
Gehls Guernsey Farms	10,481,535	0.45%		
Compass Properties	8,712,201	0.37%		
Germantown Market Place			15,695,900	0.98%
American Real Estate			7,323,200	0.46%
FRED-Ashbury Woods			8,391,000	0.52%
FBTC Leasing			7,294,000	0.45%
Smith & Nephew Rolyan			6,612,200	0.41%
Mills Properties			6,111,800	0.38%
Advanced Healthcare			6,528,450	0.41%
Mequon Pilgrim LLC			10,774,650	0.67%
RC Apartments			6,511,000	0.41%
Total	\$134,116,226	5.71%	\$87,073,200	5.42%

Source:

Village of Germantown Finance Department, Assessors Department and Village records
₁ Estimated by dividing the assessed values by the ratio of assessed to equalized value for the Village
Final Official Statements, April 1, 2000 & May 2, 2011

a) Total Equalized Value January 1, 2011 = \$ 2,350,376,900
b) Total Equalized Value January 1, 2002 = \$ 1,606,690,900

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

Table 8

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy ¹		Collection in Subsequent Years ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	33,689,905	25,644,481	76.12%	-	25,644,481	76.12%
2003	36,324,892	28,003,010	77.09%	-	28,003,010	77.09%
2004	38,185,824	29,673,630	77.71%	-	29,673,630	77.71%
2005	39,291,496	30,541,604	77.73%	-	30,541,604	77.73%
2006	40,037,157	30,842,279	77.03%	-	30,842,279	77.03%
2007	40,367,810	30,653,899	75.94%	-	30,653,899	75.94%
2008	42,012,204	31,243,429	74.37%	-	31,243,429	74.37%
2009	46,443,430	34,109,304	73.44%	-	34,109,304	73.44%
2010	47,372,096	34,787,132	73.43%	-	34,787,132	73.43%
2011	47,124,290	35,643,828	75.64%	-	35,643,828	75.64%

Source: Village Finance Department

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

¹ Collections include only those amounts collected directly by the Village of Germantown. Delinquent and postponed real estate are turned over to Washington County after January 31, of the fiscal year.
 The amount shown is net of the State Tax Credit

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

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

Table 9

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Water and Sewer										
Number of Water Customers	4,903	5,154	5,286	5,273	5,355	5,426	5,469	5,479	5,510	5,238
Average Daily Water Consumption (gallons)	1,522,841	1,414,326	1,550,942	1,456,616	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,424,038
Number of Wastewater Customers	4,938	5,354	5,468	5,542	5,619	5,685	5,727	5,744	5,770	5,497

Source: Village of Germantown Utility Records

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

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

Table 10

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Number of customers										
Residential	4,535	4,322	4,467	4,468	4,537	4,595	4,628	4,636	4,663	4,670
Commercial	321	781	765	759	772	785	801	802	802	523
Industrial	24	26	26	27	27	27	21	21	21	21
Public	23	18	19	19	19	19	19	20	24	24
Total	4,903	5,147	5,277	5,273	5,355	5,426	5,469	5,479	5,510	5,238
Gallons (thousands)										
Residential	342,819	307,760	308,991	332,797	312,186	312,443	306,127	301,575	281,134	281,405
Commercial	96,539	128,848	145,271	48,562	147,232	167,068	168,601	177,733	170,811	180,989
Industrial	105,644	66,967	98,128	38,176	43,435	44,493	36,936	34,067	43,368	47,300
Public	10,281	11,247	11,847	11,016	8,910	10,248	10,774	11,231	9,928	10,080
Total	555,283	514,822	564,237	430,551	511,763	534,252	522,438	524,606	505,241	519,774

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 singular 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
Water Utility Customer Rates
Last Ten Fiscal Years

Table 11

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Metered Service										
Quarterly Service Charge										
5/8 inch meter	\$11.00	\$11.00	\$11.00	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40
3/4 inch meter	\$11.00	\$11.00	\$11.00	\$13.20	\$13.20	\$13.20	\$13.20	\$13.60	\$14.40	14.40
1 inch meter	\$17.00	\$17.00	\$17.00	\$22.50	\$22.50	\$22.50	\$22.50	\$23.18	\$24.00	24.00
1 1/4 inch meter	\$20.00	\$20.00	\$20.00	\$30.75	\$30.75	\$30.75	\$30.75	\$31.67	\$33.00	33.00
1 1/2 inch meter	\$35.00	\$35.00	\$35.00	\$39.00	\$39.00	\$39.00	\$39.00	\$40.17	\$42.00	42.00
2 inch meter	\$50.00	\$50.00	\$50.00	\$60.00	\$60.00	\$60.00	\$60.00	\$61.80	\$63.00	63.00
3 inch meter	\$75.00	\$75.00	\$75.00	\$99.00	\$99.00	\$99.00	\$99.00	\$101.97	\$105.00	105.00
4 inch meter	\$130.00	\$130.00	\$130.00	\$156.00	\$156.00	\$156.00	\$156.00	\$160.68	\$162.00	162.00
6 inch meter	\$200.00	\$200.00	\$200.00	\$288.00	\$288.00	\$288.00	\$288.00	\$296.64	\$300.00	300.00
8 inch meter	\$220.00	\$220.00	\$220.00	\$444.00	\$444.00	\$444.00	\$444.00	\$457.32	\$462.00	462.00
10 inch meter	\$300.00	\$300.00	\$300.00	\$648.00	\$648.00	\$648.00	\$648.00	\$667.44	\$675.00	675.00
12 inch meter	\$400.00	\$400.00	\$400.00	\$855.00	\$855.00	\$855.00	\$855.00	\$880.65	\$891.00	891.00
Volume rate (per 1,000 gallons)										
First 100,000 gallons	\$1.69	\$1.69	\$1.69	\$1.94	\$1.94	\$1.94	\$1.94	\$2.00	\$2.16	\$2.16
Next 900,000 gallons	\$1.47	\$1.47	\$1.47	\$1.65	\$1.65	\$1.65	\$1.65	\$1.70	\$1.75	\$1.75
Over 1,000,000 gallons	\$1.29	\$1.29	\$1.29	\$1.42	\$1.42	\$1.42	\$1.42	\$1.46	\$1.57	\$1.57
Public Fire Protection										
Annual service charge to the Village of Germantown	\$439,994	\$460,105	\$478,204	\$489,825	\$491,824	\$491,824	\$491,824	\$506,579	\$506,579	\$506,579
Private Fire Protection										
Quarterly Service Charge										
2 inch or smaller connection	\$24.00	\$24.00	\$24.00	** \$24	\$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

* 5/21/93 - 4/17/05

A credit will be given where private fire protection lines are connected to utility water mains with 4-inch or larger diameter connections and where the lines also supply metered general service. (No credit will be given where connections are less than 4" in diameter.) The general service will be billed at the regular metered rates (above). The demand charge for private fire protection shall be (X - .30Y). "X" equals the unmetered private fire protection quarterly demand charge applicable to the size of connection, and "Y" is the quarterly service charge for metered general service..

** Eff. 4/18/05

"Credit for Combined Service" is no longer a part of the Rate Schedule for the Village of Germantown Water Utility.

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

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

Source: Village of Germantown Utility Records

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

Table 12

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Number of customers										
Residential	4,581	4,032	4,157	4,227	4,294	4,348	4,380	4,389	4,412	4,419
Commercial	312	1,276	1,264	1,268	1,278	1,290	1,301	1,308	1,308	1,028
Industrial	24	26	27	27	27	27	26	27	29	29
Public	21	20	20	20	20	20	20	20	21	21
Total	4,938	5,354	5,468	5,542	5,619	5,685	5,727	5,744	5,770	5,497
Gallons (thousands)										
Residential	345,408	294,150	294,627	347,552	297,732	297,855	291,335	296,805	266,797	268,106
Commercial	81,204	135,758	154,331	153,683	150,343	159,093	160,627	168,260	165,434	174,766
Industrial	205,635	162,757	191,849	129,021	132,347	144,392	138,293	117,070	142,091	160,703
Public	12,109	10,257	10,880	9,115	8,130	9,095	9,237	9,666	7,953	7,893
Total	644,356	602,922	651,687	639,371	588,552	610,435	599,492	591,801	582,275	611,468

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

	Fiscal Year										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
General Metered Service											
Quarterly Service Charge											
5/8 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	
3/4 inch meter	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	\$27.50	\$31.63	
1 inch meter	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$37.00	\$46.25	\$50.88	\$58.51	
1 1/2 inch meter	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00	\$63.75	\$70.13	\$80.65	
2 inch meter	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00	\$82.50	\$90.75	\$104.36	
3 inch meter	\$101.00	\$101.00	\$101.00	\$101.00	\$101.00	\$101.00	\$101.00	\$126.25	\$138.88	\$159.71	
4 inch meter	\$181.00	\$181.00	\$181.00	\$181.00	\$181.00	\$181.00	\$181.00	\$226.25	\$248.88	\$286.21	
6 inch meter	\$296.00	\$296.00	\$296.00	\$296.00	\$296.00	\$296.00	\$296.00	\$370.00	\$407.00	\$468.05	
Volume rate (per 1,000 gallons)	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.32	\$4.752	\$5.465	Residential
								\$5.40	\$5.94	\$6.83	Commercial, Industrial & Public
General Unmetered Service											
Flat rate	\$99.92	\$99.92	\$96.68	\$96.68	\$96.68	\$96.68	\$96.68	\$101.68	\$111.85	\$128.63	
based on avg. usage (gal.)/qtr.	18,500	18,500	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

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			
2002	23,215,000	14,070,000	3,410,000	-	-	-	40,695,000	8.47%	\$1,565
2003	23,200,000	13,000,000	8,015,000	589,000	-	-	44,804,000	9.23%	\$1,723
2004	19,980,000	7,775,000	13,790,000	764,000	-	-	42,309,000	8.67%	\$1,627
2005	16,675,000	5,255,000	17,135,000	175,000	1,130,000	-	40,370,000	8.19%	\$1,541
2006	14,315,000	5,350,000	18,085,000	135,081	1,130,000	-	39,015,081	6.01%	\$1,182
2007	14,000,000	8,285,000	15,905,000	91,376	1,090,000	-	39,371,376	6.06%	\$1,193
2008	12,540,000	8,960,000	14,115,000	46,367	1,045,000	-	36,706,367	5.38%	\$1,049
2009	9,540,000	7,880,000	13,925,000	1,695,172	1,048,574	-	34,088,746	5.00%	\$974
2010	5,135,000	8,525,000	15,885,000	1,467,834	1,666,067	-	32,678,901	4.77%	\$934
2011	4,345,000	9,435,000	14,170,000	1,261,533	1,649,069	-	30,860,602	4.50%	\$882

Note: *Details regarding the Village's outstanding debt can be found in the notes to the financial statements. Section F, Long Term Obligations*
Personal income data and population data can be found on Table 19

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

Table 15

Fiscal Year Ended December 31,	General Bonded Debt Outstanding				Percentage of Long -Term Debt to Equalized Value	Equalized Valuation	Net Long-term Debt per Population	Population
	General Obligation Bonds	General Obligation Notes	Refunding Bonds	Total				
2002	23,215,000	14,070,000	3,410,000	40,695,000	2.53%	1,606,690,900	2,175	18,708
2003	23,200,000	13,000,000	8,015,000	44,215,000	2.49%	1,773,707,300	2,341	18,890
2004	19,980,000	7,775,000	13,790,000	41,545,000	2.18%	1,906,999,800	2,186	19,001
2005	16,675,000	5,255,000	17,135,000	39,065,000	1.90%	2,057,050,900	2,036	19,189
2006	14,315,000	5,350,000	18,085,000	37,750,000	1.70%	2,216,968,400	1,925	19,607
2007	14,000,000	8,285,000	15,905,000	38,190,000	1.62%	2,357,398,900	1,944	19,650
2008	12,540,000	8,960,000	14,115,000	35,615,000	1.47%	2,424,848,300	1,812	19,650
2009	9,540,000	7,880,000	13,925,000	31,345,000	1.28%	2,445,138,200	1,595	19,650
2010	5,135,000	8,525,000	15,885,000	29,545,000	1.24%	2,378,367,400	1,496	19,749
2011	4,345,000	9,435,000	14,170,000	27,950,000	1.19%	2,350,376,900	1,414	19,772

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

Village of Germantown, Wisconsin
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011

Table 16

<u>Governmental Unit</u>	<u>2011 Equalized Value</u>	<u>Debt Outstanding</u>	<u>Village EV Percentage of District</u>	<u>Village Proportionate Share</u>
Milwaukee Area Technical College	74,862,832,492	107,945,000	3.1396% ¹	3,389,041
Germantown School District	3,142,627,061	9,464,490	74.7902%	7,078,511
Washington County	<u>13,469,321,100</u>	<u>23,900,000</u>	17.4499%	<u>4,170,526</u>
Subtotal, overlapping debt	91,474,780,653	141,309,490	0.62% ²	14,638,078
Village Direct Debt	2,350,376,900	<u>29,211,533</u>	100.000%	<u>29,211,533</u>
Village Debt to Equalized Value		170,521,023	1.24% ³	
Total Direct and overlapping debt				43,849,611
Debt Per Capita Village General Obligation Debt				1,477.42 ⁴
Debt Per Capita Village Share of Overlapping Debt				<u>740.34</u>
				2,217.76

Source: Financial Officers of the overlapping School Districts and Counties, Official Statement dated March 5, 2012

- ¹ Percentage of village equalized value to district equalized value.
- ² Percentage of village overlapping debt outstanding to village equalized value
- ³ Percentage of village outstanding debt to village equalized
- ⁴ Population 2010 19,772, debt per capita, estimated after 2010 census

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

Table 17

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Statutory Debt Limit	\$80,334,545	\$88,685,365	\$95,349,990	\$102,852,545	\$110,848,420	\$117,869,945	\$121,242,415	\$122,256,910	\$118,918,370	\$117,518,845
Total Net Debt Applicable to limit	\$40,920,000	\$44,215,000	\$41,720,000	\$39,240,000	\$37,865,081	\$38,281,376	\$35,661,367	\$ 33,040,172	\$ 31,012,834	\$ 29,211,533
Unused Debt Limit	\$39,414,545	\$44,470,365	\$53,629,990	\$63,612,545	\$72,963,339	\$79,588,569	\$85,581,048	\$ 89,216,738	\$ 87,905,536	\$ 88,307,312
Total Net Debt Applicable to the limit as a percentage of debt limit	50.94%	49.86%	43.75%	38.15%	34.18%	32.48%	29.41%	27.03%	26.08%	24.86%

Legal Debt Margin calculations for Fiscal Year 2011

2011 Equalized Valuation

\$2,350,376,900

Debt Limit (5% of current equalized value)

\$117,518,845

Debt applicable to limit - General obligation bonds

\$29,211,533

Legal Debt margin

\$88,307,312

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.

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 and Sewer Revenue Bonds			Accreted Value	Coverage
				Debt Service		Total		
				Principal	Interest			
2002	5,148,366	3,879,409	1,268,957	-	-	-	\$ -	0.00
2003	5,054,668	3,541,603	1,513,065	-	-	-	\$ -	0.00
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

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

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (thous)</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	18,708	\$480,683	\$26	36.4	3,668	4.80%
2003	18,890	\$485,360	\$26	36.4	3,697	5.20%
2004	19,001	\$488,212	\$26	37.3	3,676	4.50%
2005	19,189	\$493,042	\$26	39.5	3,775	4.00%
2006	19,607	\$648,678	\$33	39.5	3,862	4.10%
2007	19,650	\$650,101	\$33	39.5	3,902	4.10%
2008	19,650	\$681,757	\$35	39.5	3,939	4.30%
2009	19,650	\$681,757	\$35	39.5	3,985	8.60%
2010	19,749	\$685,192	\$35	41.7	4,013	8.20%
2011	19,772	\$686,049	\$35	41.7	4,013	6.10%

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

*US Bureau of Economic Analysis, per capita income, 2005 - 2009 (in 2009 inflation adjusted dollar)
 (2000 - 2004 in 1999 dollars) 2000 and 2010 Census of Population & Housing, quick facts, census*

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

Moody's Investors Service, Global Credit Research, March 1, 2012

Median age - Factfinder.census.gov 2005 - 2010

Village of Germantown, Wisconsin
Principal Employers
Current Year and Nine Years Ago

Table 20

Employer	2011			2002		
	² Employees	Rank	Percentage of Total Village Employment	¹ Employees	Rank	Percentage of Total Village Employment
Germantown School District	600	1	3.95%	505	1	3.81%
Walmart Supercenter	500	2	3.29%			
David Frank Landscape	200	10	1.32%			
GKN Sintered Metals	250	4	1.65%	300	3	2.26%
Village of Germantown	353	3	2.33%			
Rock - Tenn (prev. Smurfit)	209	7	1.38%			0.00%
J.W. Speaker Company	200	8	1.32%	184	6	1.39%
Airgas Corporation				175	7	
Smurfit Stone Container				200	5	1.51%
Great Lakes Packaging	101	9	0.67%			
Pick n Save				150	9	
Smith & Nephew Rolyan				320	2	2.41%
Milwaukee Seasoning				150	8	1.13%
Moldmakers				200	4	1.51%
Gehl's Guernsey	225	5	1.48%			0.00%
Ellsworth Adhesives	225	6	1.48%	75	10	0.57%
Total	2,863		18.86%	2,259		14.58%

Source:

¹ Taken from Final Official Statement for General Obligation Promissory Notes and Bonds, Dated July 1, 2002
 Germantown Chamber of Commerce, telephone survey November, 2000

² Taken from Final Official Statement for General Obligation Notes, Dated Feb 24, 2012

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

⁴ Rates are not compiled for individual communities with populations under 25,000, comparison to Washington County average employment, Wisconsin Department of Workforce Development

⁴ Factfinder.census.gov. American Factfinder 2005 - 2009 American Community Survey 5-year estimates
 Census 2000, demographic profile
 (15,182) for 2010 76.1% of population, and (13,264) for 2001 - 76.4 % of population

Village of Germantown, Wisconsin

Table 21

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	7.00	7.30	7.30	7.30	7.30	7.20	7.20	5.70	5.70	5.70
Public Safety	60.60	60.10	60.10	59.35	59.35	59.35	59.35	57.35	57.35	57.35
Public Works	18.20	17.15	18.96	16.96	17.01	17.16	17.16	17.16	17.16	17.16
Culture & Recreation	20.45	19.61	19.95	20.62	20.62	22.12	24.12	23.12	23.12	23.12
Conservation & Development	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Water	7.00	8.10	8.10	8.10	8.10	8.10	8.10	7.30	7.30	7.30
Sewer	<u>7.00</u>	<u>7.84</u>	<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>
Total	122.15	122.00	124.15	122.07	122.12	123.67	125.67	119.57	119.57	119.57

Source: Village of Germantown Department Directors, count equals regular full time and part time, does not include seasonal, recreational or Volunteer Fire & Rescue

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

Table 22

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Number of Sworn Officers	30	30	30	30	31	31	31	31	31	31
Number of Citations	3,127	2,352	2,479	2,537	2,441	2,122	2,539	2,453	2,823	2,682
Fire										
Number of Employees - Full Time	3	3	4	4	4	4	4	4	4	4
Number of Employees - Part Time	4	4	4	4	4	4	4	4	4	4
Number of Employees - Paid on Call	36	38	40	36	35	35	35	35	35	35
Public Works										
Street Surfacing (miles)	0	0	0	7.81	4.41	6.00	3.65	3.27	2.34	3.89
Asphalt Repairs (miles)	3.74	5.61	0.33	3.29	2.79	0.75	0.25	0.00	0.25	0.45
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	92,112	97,925	109,499	114,225	122,979	129,442	139,314	146,685	159,589	176,121
Water and Sewer										
Number of Water Customers	4,903	5,154	5,286	5,273	5,355	5,426	5,469	5,479	5,510	5,238
Average Daily Water Consumption (gallons)	1,522,841	1,414,326	1,550,942	1,456,616	1,404,005	1,468,088	1,431,337	1,437,277	1,384,222	1,425,405
Number of Sewer Customers	4,938	5,354	5,468	5,542	5,619	5,685	5,727	5,744	5,770	5,497

Source: Village of Germantown Department Directors

See tables # 10 & 12 for explanation on the reduction in utility customer counts

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

Table 23

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)	121.00	121.43	124.49	124.92	129.75	129.75	129.96	129.96	129.96	129.30
Sidewalks (miles)					18.00	19.00	19.45	19.45	19.66	19.76
Culture & Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Playgrounds	6	6	6	6	6	6	6	7	7	7
Tennis Courts	13	13	13	13	13	13	13	13	13	13
Spraygrounds	0	0	0	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)	76.82	82.49	83.90	85.08	86.95	88.20	88.20	88.55	88.38	88.99
Fire Hydrants	988	1,054	1,073	1,086	1,107	1,125	1,125	1,130	1,133	1,142
Sewer										
Sanitary Sewer (miles)	80.43	84.00	84.69	84.69	87.02	88.41	89.05	89.05	89.34	89.50

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

