

VILLAGE OF ELM GROVE
Waukesha County, Wisconsin

FINANCIAL STATEMENTS

December 31, 2006

VILLAGE OF ELM GROVE

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Village Board
Village of Elm Grove
Waukesha County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Elm Grove, Wisconsin, as of and for the year ended December 31, 2006, 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'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 above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Elm Grove, Wisconsin, as of December 31, 2006, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 10 and the respective budgetary comparisons on pages 38 through 46 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted of principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Virchow, Krause + Company, LLP

Milwaukee, Wisconsin
March 3, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Elm Grove Management's Discussion and Analysis Year end December 31, 2006

As management of the Village of Elm Grove, we offer readers of the Village of Elm Grove's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2006. A comparison with prior year data is also presented; however, certain reclassifications have been made to the 2005 data to conform with the 2006 presentation.

Financial Highlights-

- The assets of the Village of Elm Grove exceeded its liabilities as of December 31, 2006 by \$13.8 million.
- As of December 31, 2006 the Village's governmental funds reported combined ending fund balance of \$7,036,092. \$3,083,805 of this balance was unreserved and available for spending at the government's discretion. At year end management had designated \$2,662,765 of unreserved fund balance for specific purposes including \$805,000 for working capital in the general fund.
- The general fund at year end also has unreserved and undesignated fund balance of \$1,042,320 which is equal to 22.5% of total general fund expenditures.
- Favorable results of operations increased the general fund balance by \$471,000 in 2006.
- Total fund balance decreased by \$4,157,695 from the prior year due to construction beginning on the Village's stormwater project. The Village issued general obligation bonds in December of 2005 for this project. During 2006 the Village expended \$4,694,196 in capital outlay which is recorded as construction in progress in the Village's capital assets- infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the Village'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 is improving or deteriorating.

The statement of activities presents information showing how the Village'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

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Management's Discussion and Analysis
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related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., sick pay benefits and other long-term liabilities.)

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government, public safety, public works, health and sanitation, culture and recreation. The Village does not operate any business-type activities.

Fund financial statements.

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village currently has 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Fund, Stormwater Fund, the Debt Service Fund, and three capital project funds which are considered to be major funds.

The Village has four new funds this year, three capital project funds and one special revenue fund. During recent years the Village has been exploring options to determine the optimal stormwater plan and acquiring a number of properties for detention facilities. Cost for plan design and engineering as well as land acquisition were recorded in the stormwater special revenue fund. During the fall on 2005 the Village Board approved the final plan and the project began. A tax incremental financing district was also created. In order to better document this project, two capital funds were created in

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2006. One fund is supported by the tax incremental district and records project costs associated with the approved TIF plan. The second fund records the remainder of project costs and is supported by the Village's stormwater utility fee and grants. Also a special revenue fund has been created to record ongoing revenue and expense of the tax incremental district and non-stormwater project costs. Funds available to finance this project were transferred from the stormwater special revenue fund.

Data from the other four funds are combined into a single, aggregate presentation under the heading "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's operations.

Government-wide Financial Analysis

The Village's total net assets, net of related debt, exceeded liabilities by \$13,837,044 at the close of 2006. The Village has reported the cost, net of depreciation, for its road and sewer infrastructure. The largest segment of net assets is the Village's investment in capital assets. The Village reports land, land improvements, building, equipment and infrastructure.

<u>Village of Elm Grove's Net Assets</u>		
<u>Governmental Activities</u>		
	<u>2006</u>	<u>2005</u>
Current & other assets	\$ 15,614,788	\$19,272,131
Capital assets	<u>23,641,705</u>	<u>18,968,380</u>
Total assets	<u>39,256,493</u>	<u>38,240,511</u>
Long term liabilities		
outstanding	15,958,043	16,547,092
Other liabilities	<u>9,461,406</u>	<u>8,907,001</u>
Total liabilities	<u>25,419,449</u>	<u>25,454,093</u>
Net assets:		
Invested in capital assets		
net of related debt	14,451,114	14,058,460
Restricted	1,037,732	538,687
Unrestricted	<u>(1,651,802)</u>	<u>(1,810,729)</u>
Total net assets	<u>\$ 13,837,044</u>	<u>\$12,786,418</u>

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Total net assets increased by \$1.05 million at the close of 2006 compared to 2005. The increase is due to an increase in investment of capital assets and favorable operating results. Total net investment in capital assets (net of related debt) for the Governmental Activities increased 2.8%. This is the result of the increased investment in stormwater assets which are classified as construction in progress as of December 31, 2006. The Village continued to move forward on its major stormwater project during 2006 but has been restricted by wet weather conditions and a delay in work due to a contract dispute with one contractor. The project is expected to be completed during 2007. The Village is funding this project with debt issued in December 2003 and 2005, grants received from the State of Wisconsin, Federal Emergency Management Association, and a future project participation payment to be received from the Milwaukee Metropolitan Sewage District. It has been the number one goal of the Village to alleviate stormwater flooding problems. The Village worked with an engineering firm, the State of Wisconsin, FEMA, the Milwaukee Metropolitan Sewage District, residents and business owners to define project parameters which would best solve this common problem in developed areas, most notably the downtown business district. During 2005 the Village board approved the final project plan and construction began. As stated above the construction continues and is expected to be completed in 2007.

The deficit in unrestricted net assets under governmental activities decreased by approximately \$159,000 to \$1.65 million. This decrease was principally due to the Village's continued investment in capital assets the most significant relating to its stormwater system and favorable results of operations.

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Village of Elm Grove's Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Revenues:		
<u>Program revenues</u>		
Charges for services	\$ 2,030,155	\$ 1,807,926
Operating grants & contributions	579,625	566,196
Capital grants and contributions	76,510	484,857
 <u>General revenues</u>		
Taxes	6,149,246	5,993,610
Intergovernmental Revenue not restricted to specific programs	304,291	304,180
Investment income	621,786	262,938
Other	187,174	154,449
Total revenues	<u>9,948,787</u>	<u>9,574,156</u>
 Expenses:		
General government	1,241,470	1,220,123
Public Safety	2,788,513	2,755,171
Public works	859,564	1,041,594
Health & sanitation	2,367,475	2,349,812
Library	386,349	345,818
Parks & recreation	229,129	255,601
Community Development	362,101	-
Interest & fiscal charges	663,560	487,350
Total expenses	<u>8,898,161</u>	<u>8,455,469</u>
 Increase in net assets	 1,050,626	 1,118,687
 Net assets December 31, 2005	 <u>12,786,418</u>	 <u>11,667,731</u>
 Net assets December 31, 2006	 <u>\$ 13,837,044</u>	 <u>\$ 12,786,418</u>

Governmental Activities

Governmental activities increased the Village's net assets by \$1.05 million. Taxes accounted for 61.8% of the Village's total revenue in 2006 as compared to 62.6 % in 2005. Key elements of this increase of net assets are as follows:

Charges for services increased \$222,229 in 2006. This increase is attributed to special liquor licenses issued, building permits for new developments within the Village, and an increase in municipal fines, forfeitures and licenses. The Village continues to evaluate fees charged for a number of programs and services and to set fees at a level that will recoup the cost of the service, mainly building permit fees, recreation programs, zoning and development fees, and rubbish collection.

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Operating grants remain stable with 2005 revenues. The village's investment in the stormwater project allows it to maximize transportation aids available from the State of Wisconsin.

Capital grants continue to contribute to the Village's revenues. Funds were received by from Homeland Security for public safety equipment and Waukesha County for comprehensive municipal planning and the stormwater project.

Intergovernmental revenues not restricted to specific programs remained stable with 2005. The Village continues to participate in the state's expenditure restraint program to maximize available state aids.

Investment income for 2006 results from higher earnings rates on village funds over 2005. The Village invests the majority of its available funds in the local government investment pool offered through the State of Wisconsin. Funds averaged 4.9% for the year ended December 31, 2006 as compared to an average earning rate of 3.09% in 2005. The Village had increased funds over previous years from the December 2005 stormwater project borrowing that were invested.

Other income in 2005 reflects an increase in revenue the Village received for lease payments of a cell tower on Village property.

Operating expenses increased due to a tax increment district reimbursement payment to a developer for the renovation of a historical property within the Village's tax increment district. These funds will be repaid to the Village through future tax increments. The village continues to control expenses in light of increasing general inflation and rising health insurance costs. The Village staff level remained constant and to manage increasing health insurance premiums the Village utilizes a high-deductible health plan, a Health Reimbursement Account Plan, and fully funds all liabilities.

Financial Analysis of the Governmental Funds

Governmental Funds

As of December 31, 2006, the Village of Elm Grove's governmental funds reported combined ending fund balances of \$7 million, a decrease of \$4.2 million compared to the prior year. The main factor for this decrease was the expenditure of funds for the stormwater project. In December 2005 the Village issued \$7.2 million in debt for the project which was included in the fund balance at December 31, 2005. The Village's General Fund has an undesignated balance of \$1,042,320. These funds are available for future uses at the Village's discretion. There is also \$4.0 million in reserved fund balance in the governmental funds, and \$2.7 million designated but unreserved fund balance. The reserve fund balance principally represents funds that will be used for debt service requirements and stormwater construction. Designated fund balance has been identified and segregated by management for specific uses.

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General Fund budgetary highlights

The year end results of operations compared to the 2006 budget for the Village of Elm Grove were positive. Revenues exceeded budget by \$254,481 mainly attributable to investment earnings, license and permit fees and fines and forfeitures. Expenditures in the general fund were \$502,400 less than budgeted. This positive result can be attributed to a number of areas. Wages were less than budgeted in the police department. This was due to employee turnover and close monitoring of overtime. Fringe benefits also were less than budget mainly due to positive results from the conversion of health insurance to a new carrier, positive results of using a Health Reimbursement Account in conjunction with the high-deductible health plan, employee turnover- eligibility of benefits, and the mix of health coverage an employee elects, single or family. Other departmental savings result from management and staff closely monitoring expenditures. The inspection department expenditures were over budget but this correlates to the increased fee revenues generated. The municipal court expenditures were also slightly over budget but can be attributed to increased costs to collect revenue of fines and forfeitures.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental activities as of December 31, 2006 amounts to \$23.6 million (net of accumulated depreciation) an increase of \$4.6 million from 2005. This was due to construction in progress for the Village's stormwater management project.

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

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
Land	\$ 5,528,127	\$ 5,528,127
Land Improvements	63,048	84,300
Buildings & improvements	3,306,915	3,402,623
Machinery & equipment	1,863,316	2,022,864
Construction in progress	5,439,414	714,728
Infrastructure	<u>7,440,885</u>	<u>7,215,738</u>
	<u>\$23,641,705</u>	<u>\$ 18,968,380</u>

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Management's Discussion and Analysis
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Long-term Debt

At the end of 2006, the Village of Elm Grove had total general obligation debt and notes outstanding of \$16.27 million. The Village issued no new debt in 2006 and retired outstanding debt of \$559,432.

Village of Elm Grove's Outstanding Debt

	General Obligation & Notes Payable	
	Governmental Activities	
	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$ -	\$ -
Refunding Bonds	4,805,000	5,235,000
Stormwater Project Bonds	11,460,000	11,585,000
Promissory Note	<u>8,862</u>	<u>13,294</u>
 Tot. G.O. debt & notes	 <u>\$ 16,273,862</u>	 <u>\$ 16,833,294</u>

State Statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total equalized valuation. The Village's current debt limitation is \$53.5 million, which is significantly higher than the Village's current outstanding general obligation debt. The Village received an Aa3 rating from Moody's on the general obligation debt issued in 2005.

Economic Factors and Next Year's Budgets and Rates

The Village's equalized valuation rose 7.09% percent to \$1,070,282,900 in 2006. Since 1996 the Village's value has increased annually from \$606 million to its current level of over \$1 billion, a 76% increase. The average equalized value of a single family residence in Elm Grove is \$435,400 substantially higher than state and surrounding municipality averages.

The Village of Elm Grove is a small community, 3.4 square miles with a population of 6,200 people just west of the City of Milwaukee allowing residents access to big city opportunities and a small town environment. The Village provides residents and businesses with 24 hour public safety services of police, fire and emergency medical along with a well maintained road system, sanitary sewer system, a library, park facilities and recreation activities.

The Village is currently improving its stormwater infrastructure and expects to complete the project during the upcoming year. This project will alleviate flood problems in the downtown commercial district allowing for future growth and development. During 2006

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Management's Discussion and Analysis
December 31, 2006

two new developments, a bank and 36 unit luxury condominiums began building adjacent to the stormwater project boundaries. A retail development opened for business including 3 new restaurants and a historical building, formerly a church, was renovated and is now office space for a local architecture firm. All of these developments are within the Tax Increment District.

The Village currently does not have a municipal water system. Residents and businesses obtain water from private individual wells or a number of small community wells within subdivisions. In an effort to meet the needs of its residents, the Village is exploring the cost and design of a limited municipal water system for its downtown commercial and high density housing area. The village board has committed to proceeding with this project only if it is economically feasible and there are enough property owners willing to support the project. The Village is talking to a number of neighboring municipalities to supply the water and operate the system. Any municipal water system is expected to receive the majority of its financing through the issuance of debt with repayment through special assessments.

The Village's 2007 budget has again qualified the Village to receive payment under the State's Expenditure Restraint Program and the 2006 tax levy met the 2% levy limit imposed by the state of Wisconsin. There are no changes to the level of services provided for in 2007 as compared to 2006.

Requests for Information

This financial report is designed to provide a general overview of the Village of Elm Grove's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Elm Grove, 13600 Juneau Boulevard Elm Grove, WI 53122.

BASIC FINANCIAL STATEMENTS

Village of Elm Grove

Statement of Net Assets December 31, 2006

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 12,313,165
Receivables	
Taxes	3,201,726
Accounts	84,708
Other Government Entities	12,000
Internal Balances	2,025
Prepays	1,164
Total Current Assets	<u>15,614,788</u>
NONCURRENT ASSETS	
Capital Assets	
Land	5,528,127
Construction in progress	5,439,413
Other capital assets, net of depreciation	12,674,165
Total Noncurrent Assets	<u>23,641,705</u>
Total Assets	<u>39,256,493</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	1,204,830
Unearned revenue	7,532,602
Current portion of long-term obligations	723,974
Total Current Liabilities	<u>9,461,406</u>
NONCURRENT LIABILITIES	
Noncurrent portion of long-term obligations	15,958,043
Total Liabilities	<u>25,419,449</u>
NET ASSETS	
Invested in capital assets, net of related debt	14,451,114
Restricted for debt service	1,037,732
Unrestricted (Deficit)	<u>(1,651,802)</u>
Total Net Assets	<u>\$ 13,837,044</u>

See accompanying notes to the financial statements.

Village of Elm Grove
Statement of Activities
For Year Ended December 31, 2006

<u>Functions/Programs</u>	<u>Program Revenues</u>				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & contributions	Capital Grants & Contributions	
Governmental Activities					
General government	\$ 1,241,470	58,213	-	3,591	(1,179,666)
Public Safety	2,788,513	441,617	35,276	62,919	(2,248,701)
Health and sanitation	2,367,475	1,090,721	40,556	-	(1,236,198)
Highway and transportation	859,564	279,002	463,529	10,000	(107,033)
Library	386,349	12,268	39,198	-	(334,883)
Park and recreation	229,129	148,334	1,066	-	(79,729)
Community Development	362,101	-	-	-	(362,101)
Interest and fiscal charges	663,560	-	-	-	(663,560)
	<u>\$ 8,898,161</u>	<u>2,030,155</u>	<u>579,625</u>	<u>76,510</u>	<u>(6,211,871)</u>
 <u>General Revenue</u>					
Taxes					
Property taxes, levied for general purposes					5,642,131
Property taxes, levied for debt service					475,000
Property taxes, other (TID #2)					32,115
Intergovernmental revenues not restricted to specific purpose					304,291
Investment Income					621,786
Other					187,174
Total General Revenue					<u>7,262,497</u>
 Change in Net Assets					1,050,626
 Net Assets at beginning of the Year					<u>12,786,418</u>
 Net Assets at Year End					<u><u>\$ 13,837,044</u></u>

See accompanying notes to financial statements.

Village of Elm Grove

Governmental Funds
Balance Sheet
December 31, 2006

ASSETS	General Fund	Sewer Fund	Stormwater Fund	Debt Fund	Capital Project Funds			Other Governmental Funds	Totals
					5 Year Fund	Stormwater Fund	TID # 2 Fund		
Cash and investments	\$ 4,253,437	1,837,610	506,505	566,879	1,637,744	3,048,290	657	462,043	12,313,165
Receivables									
Taxes	1,474,733	919,207	154,579	212,686	207,212	-	-	231,150	3,199,567
Delinquent Personal Property Tax	2,159	-	-	-	-	-	-	-	2,159
Accounts	12,285	29,031	23,392	-	20,000	-	-	-	84,708
Other Government Entities	12,000	-	-	-	-	-	-	-	12,000
Advance to other Funds	50,575	310,776	-	271,426	-	-	-	-	632,777
Due from other funds	476,439	-	-	-	-	-	-	49,265	525,704
Prepays	1,164	-	-	-	-	-	-	-	1,164
Total Assets	\$ 6,282,792	3,096,624	684,476	1,050,991	1,864,956	3,048,290	657	742,458	16,771,244
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 90,680	80,140	2,878	-	28,668	359,401	-	50,908	612,675
Accrued liabilities	306,285	-	-	-	-	-	-	76,495	382,780
Developer deposits	50,639	-	-	-	-	-	-	-	50,639
Due to other funds	49,265	17,468	138,637	98,201	6,243	189,480	657	23,728	523,679
Advance from other funds	-	-	-	-	-	-	-	632,777	632,777
Deferred revenue	3,457,805	2,219,994	400,792	475,000	462,775	-	-	516,236	7,532,602
Total Liabilities	3,954,674	2,317,602	542,307	573,201	497,686	548,881	657	1,300,144	9,735,152
Fund balances									
Reserved for:									
Noncurrent assets and prepaids	53,897	310,776	-	271,426	-	-	-	-	636,099
Debt service	-	468,246	142,169	206,364	-	-	-	-	816,779
Encumbrances	-	-	-	-	-	2,499,409	-	-	2,499,409
Unreserved, designated for, reported in:									
General Fund	1,231,901	-	-	-	-	-	-	-	1,231,901
Capital Projects Fund (deficit)	-	-	-	-	1,367,270	-	-	(37,618)	1,329,652
Special Revenue Funds	-	-	-	-	-	-	-	63,594	63,594
Unreserved, undesignated reported in:									
General Fund	1,042,320	-	-	-	-	-	-	-	1,042,320
Special Revenue Funds	-	-	-	-	-	-	-	(583,662)	(583,662)
Total Fund Balance	2,328,118	779,022	142,169	477,790	1,367,270	2,499,409	-	(557,686)	7,036,092
Total Liabilities and Fund Balance	\$ 6,282,792	3,096,624	684,476	1,050,991	1,864,956	3,048,290	657	742,458	

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

Capital assets used in governmental funds are not financial resources and therefore the funds are not reported in the funds	23,641,705
Some liabilities, including long-term debt, are not due and payable in the current period and therefore and therefore are not reported in the funds	<u>(16,840,753)</u>
Net Assets of Governmental Funds	<u>\$ 13,837,044</u>

See accompanying notes to financial statements.

Village of Elm Grove

Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances December 31, 2006

	General Fund	Sewer Fund	Stormwater Fund	Debt Fund	Capital Project Funds			Other Governmental Funds	Totals
					5 Year Fund	Stormwater Fund	TID #2 Fund		
Revenues									
Taxes	\$ 3,066,296	1,677,600	227,000	475,000	267,600	-	-	435,750	6,149,246
Intergovernmental revenues	834,484	-	-	-	8,717	10,000	-	107,226	960,427
Licenses and permits	251,348	-	-	-	-	-	-	-	251,348
Fines, forfeitures and penalties	182,511	-	-	-	-	-	-	-	182,511
Public charges for services	556,368	705,219	274,860	-	-	-	-	100,795	1,637,242
Commercial revenues	308,277	66,277	13,186	21,796	121,641	169,834	78,095	15,607	794,713
Total Revenues	5,199,284	2,449,096	515,046	496,796	397,958	179,834	78,095	659,378	9,975,487
Expenditures									
Current									
General government	1,052,723	-	-	-	-	-	-	175	1,052,898
Public Safety	2,391,149	-	-	-	-	-	-	164,003	2,555,152
Health and sanitation	377,857	1,727,326	183,450	-	-	-	-	-	2,288,633
Highway and transportation	686,897	-	-	-	-	-	-	-	686,897
Library	-	-	-	-	-	-	-	371,249	371,249
Park and recreation	194,881	-	-	-	-	-	-	-	194,881
Community Development	-	-	-	-	-	-	-	362,101	362,101
Capital outlay	19,575	307,885	-	-	355,393	1,116,936	3,577,260	87,708	5,464,757
Debt service	-	-	-	1,156,614	-	-	-	-	1,156,614
Total Expenditures	4,723,082	2,035,211	183,450	1,156,614	355,393	1,116,936	3,577,260	985,236	14,133,182
Excess of revenues over (under) expenditure	476,202	413,885	331,596	(659,818)	42,565	(937,102)	(3,499,165)	(325,858)	(4,157,695)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	1,099,714	-	3,436,511	3,499,165	4,500	8,039,890
Transfers out	(4,500)	(593,150)	(7,174,507)	-	(4,432)	-	-	(263,301)	(8,039,890)
Total Other Financing Sources(Uses)	(4,500)	(593,150)	(7,174,507)	1,099,714	(4,432)	3,436,511	3,499,165	(258,801)	-
Net change in fund balances	471,702	(179,265)	(6,842,911)	439,896	38,133	2,499,409	-	(584,659)	(4,157,695)
FUND BALANCES - Beginning of Year	1,856,416	958,287	6,985,080	37,894	1,329,137	-	-	26,973	11,193,787
FUND BALANCES - END OF YEAR	\$ 2,328,118	779,022	142,169	477,790	1,367,270	2,499,409	-	(557,686)	7,036,092

See accompanying notes to financial statements.

Village of Elm Grove

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to
The Statement of Activities
For the Year Ended December 31, 2006

Net Change in Fund Balances-Total Governmental Funds \$ (4,157,695)

Amounts recorded for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful life and reported as depreciation expense in the statement of activities.

Capital outlay reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements.	5,576,868
Some items reported as capital outlay were not capitalized	(69,441)
Depreciation is reported in the government-wide statements	(836,806)
Net book value of assets retired	(26,193)
Fair value of capital assets contributed	28,896

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.

Principal repaid	559,432
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. .

Interest accrued	(66,377)
Compensated absences	(27,809)
Benefit Agreement	69,751

Change in Net Assets of Governmental Activities-Statement of Activities	<u>\$ 1,050,626</u>
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See accompanying notes to financial statements.

VILLAGE OF ELM GROVE

FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
December 31, 2006

	Private Purpose Trust Fund		Agency Tax Collection Fund
	Library Gift Fund		
	Endowment Fund	Gift Fund	
ASSETS			
Cash and temporary investments	\$ 5,000	46,476	7,526,460
Taxes receivable	-	-	6,102,422
	5,000	46,476	13,628,882
TOTAL ASSETS			
LIABILITIES			
Accounts Payable	-	1,517	-
Due to other taxing units	-	-	13,628,882
Due to other funds	-	2,023	-
Total Liabilities	-	3,540	13,628,882
NET ASSETS - Held in trust	\$ 5,000	42,936	-

VILLAGE OF ELM GROVE

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
December 31, 2006

	Private Purpose Trust Fund	
	Library Gift Fund	
	Endowment Fund	Gift Fund
ADDITIONS		
Contributions	\$ -	43,330
Investment income	-	2,416
Total Additions	-	45,746
DEDUCTIONS		
Library materials	-	27,874
Library equipment	-	8,308
Total Deductions	-	36,182
Changes in net assets	-	9,564
NET ASSETS - BEGINNING OF YEAR	5,000	33,372
NET ASSETS - END OF YEAR	\$ 5,000	42,936

See accompanying notes to financial statements.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village conform to generally accepted accounting principles as applicable to government units.

A. REPORTING ENTITY

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

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

Governmental-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 Village of Elm Grove operated all funds as governmental activities.

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

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

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

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

The Village reports the following major governmental funds:

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

Sewer Fund – accounts for the Village’s sanitary sewer activities.

Stormwater Fund – accounts for the Village’s stormwater operating

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt.

5 Year Capital Project Fund – accounts for resources to be used for the acquisition or construction of major capital facilities (other than stormwater and municipal water).

Stormwater Capital Project Fund – accounts for project costs of stormwater construction project to be supported by the stormwater utility fee, grants, and outside financing.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Stormwater TID #2 Capital Project Fund – accounts for project costs of the stormwater construction project to be supported by tax increment district.

The Village reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Library
Emergency Medical Services
Cable TV
Tax Incremental District #2

Capital Project Fund- used to account for resources and expenditures for construction of specific capital facilities or infrastructure.

Municipal Water

In addition, the Village reports the following fund types:

Private-purpose trust funds are used to report any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments.

Library Gift Fund

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION
Government-Wide Financial Statements

The government-wide statement of net assets and 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 deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

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

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

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

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

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

- a. Time deposits in any credit union, bank, savings bank, trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The Village has adopted an investment policy. That policy follows state statutes for allowable investments. The Village's investment policy does not address custodial credit risk, credit risk, interest rate risk or concentration of credit risk. All funds throughout the year and at year end were invested in locally approved banks, the LGIP, and agencies of the US government.

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2005, the fair value of the village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV.A. for further information.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables

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

Property tax calendar - 2006 tax roll:

Lien date and levy date	December, 2006
Tax bills mailed	December, 2006
Payment in full, or	January 31, 2007
First installment due	January 31, 2007
Second installment due to County	July 31, 2007
Personal property taxes in full	January 31, 2007
Tax settlement:	
First settlement	January 15, 2007
Second settlement	February 15, 2007
Final settlement	August 15, 2007
Tax deed by County – 2006 delinquent real estate taxes	October, 2009

Sewer service charges and stormwater utility fees are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as deferred revenue. Sewer service charges and stormwater utility fees are billed to commercial customers at rates established by the Village Board on a quarterly basis on March 31, June 30, September 30 and December 31. All delinquent commercial accounts receivable balances at the time of the property tax lien date are placed on the customer's tax bill and collected through the normal tax collection process.

Garbage/rubbish removal charges are billed to residential customers, at rates established by the Village Board on the Village tax roll as a special charge and, therefore, collected in advance of services provided. The amount to finance the subsequent year's operation is recorded as deferred revenue.

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 fiduciary activities are reported in the government-wide financial statements as "internal balances."

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant.

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

4. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. The government defines capital assets as assets with an initial cost of more than \$5,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, governmental funds' capital assets were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34 governmental units are required to account for all capital assets, including infrastructure, in the government wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. For the year ended December 31, 2004 the village retroactively reported the Village's road, bridge and sewer infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	10-50 Years
Machinery and Equipment	3-20 Years
Infrastructure	25-60 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period.

For government-wide financial statements debt issue costs incurred in the governmental funds recognized as expense in the period incurred. While this method of accounting is not in accordance with generally accepted accounting principles, the effect on the financial statements is not material

6. Compensated Absences

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

Sick Leave

Sick leave is earned at the rate of 8 hours for each month of service up to a maximum of 1,440 hours for all village employees. Employees having unused accumulated sick leave at retirement, resignation or termination are compensated at varying percentages of the accumulated total, to a maximum of 240 or 480 hours based on longevity, position and current wage rates. The current amount of accumulated sick pay earned at December 31, 2006 for all Village employees that would be due upon termination totals \$156,444.

Vacation

Vacation pay is earned by Village employees based upon longevity of employment and which departmental benefit schedules. Employees having unused vacation at retirement, resignation or termination are compensated for the unused vacation pay at current wage rates. The amount of unused vacation pay earned at December 31, 2006 for all Village employees is \$144,696.

Government-Wide Statements

Compensated absences are accrued when incurred in the government-wide statements.

7. Long-Term Obligations/Conduit Debt

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt is reported as other financing sources and payments of principal and interest are reported as expenditures.

The Village does not have any conduit debt.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. 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.

9. 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 of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net 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 definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation.

Fiduciary fund equity is classified as “held in trust” for library purposes on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending of trust income, and management believes it is in compliance with all significant restrictions.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

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

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

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

Capital assets, net of accumulated depreciation \$ 23,641,705

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the Statement of Net Assets.

Bonds and Notes Payable	\$ 16,273,862
Compensated Absences	305,319
Benefit Agreements Payable	102,837
Accrued Interest	<u>158,735</u>

Combined Adjustment for Long-term Liabilities	<u>\$ 16,840,753</u>
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VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The Village adopted annual individual fund budgets for all governmental funds. These budgets are adopted in accordance with State Statutes. The actual results of operations presented in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2006 budget. For purposes of preparing the Budgetary Comparison Schedules of Revenue, Expenditures and Changes in Fund Balance, the actual results of operations have been adjusted to a basis consistent with the Village's budgeted revenues and expenditures. The budgetary data reflects the approved budgets of the above funds including amendments adopted by the Village Board. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the total fund level for all funds.

B. LIMITATIONS ON THE VILLAGE'S TAX LEVY

As part of Wisconsin's Act 25 (2005), new 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 2%. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit began with the 2005 levy collected in 2006 and expired on December 31, 2006. It is anticipated that new levy limit legislation will be enacted in 2007.

C. DEFICIT FUND BALANCES

At December 31, 2006 the Special Revenue Fund – Cable TV Fund had a deficit balance of \$14,600 and the Capital Project Fund – Municipal Water a deficit balance of \$37,618 both which have been temporarily financed by advances from the General Fund. The Special Revenue Fund – TID #2 had a deficit balance of \$582,202 which has been financed with advances from the Sewer and Debt Service Fund. The tax incremental district will repay these advances along with interest in future years.

D. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund had an excess of actual expenditures over appropriations:

Special Revenue - TID # 2	<u>\$ 10,098</u>
Capital Project Fund- Municipal Water	<u>\$ 22,618</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Cash on Hand	\$ 1,220	\$ -	Not applicable
Demand deposits	5,751,675	5,837,988	Custodial Credit
Certificate of Deposit	90,000	90,000	Custodial Credit
LGIP	13,056,217	13,056,217	Credit & Interest Rate
FNMA Discount Note	991,989	991,989	Custodial Credit, Credit, Concentration of Credit, interest rate
 Total Cash and Investments	 <u>\$ 19,891,101</u>	 <u>\$ 19,976,194</u>	

Reconciliation to financial statements	
Per statement of net assets	
Unrestricted cash and investments	\$ 12,313,165
Restricted cash and investments	
Per statement of net assets –	
Fiduciary	
Funds	
Private purpose trust	51,476
Agency	7,526,460
 Total Cash and Investments	 <u>\$ 19,891,101</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

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.

Investments in the Wisconsin Local Government Investment Pool (LGIP) are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

A. DEPOSITS AND INVESTMENTS (continued)

1. Custodial Credit Risk

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

As of December 31, 2006, \$5,337,988 of the Village's total bank balances were exposed to custodial credit risk as uninsured and uncollateralized.

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, 2006, all of the Village's investments in US agencies were neither insured nor registered.

2. Credit, Concentration of Credit and Interest Rate Risks

Credit risk is the risk that an issuer or other counterparty to an investment will fulfill its obligation. Concentration of credit is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment.

As of December 31, 2006 the Village has \$13,056,217 invested in the LGIP, which is not rated. The LGIP insures deposits for credit risk subject to certain deductibles. The average maturity date for investments held by the LGIP is 27 days, but funds are due to the Village on demand.

As of December 31, 2006 the Village has \$991,989 invested in a US agency- Federal National Mortgage Association (FNMA) with a maturity of less than 60 days. US agencies are rated AAA by Standard and Poor's and Moody's Investor Service. This investment represents approximately 5% of the Village's deposit and investment portfolio at December 31, 2006.

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

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance 1/1/06	Additions	Deletions	Ending Balance 12/31/06
<u>Capital Assets not being Depreciated:</u>				
Land and Improvements	\$ 5,528,127		-	5,528,127
Construction in Progress	714,728	4,724,685	-	5,439,413
Total Capital Assets not being Depreciated	<u>\$ 6,242,855</u>	<u>4,724,685</u>	<u>-</u>	<u>10,967,540</u>
 <u>Other Capital Assets</u>				
Land Improvements	\$ 163,972	-	(35,554)	128,418
Buildings and Improvements	5,631,474	48,418		5,679,892
Machinery and Equipment	4,196,353	208,044	(122,702)	4,281,695
Infrastructure	13,409,353	555,174	(57,559)	13,906,968
Total Capital Assets being Depreciated	<u>\$ 23,401,152</u>	<u>811,636</u>	<u>(215,815)</u>	<u>23,996,973</u>
 Total Capital Assets	 <u>\$ 29,644,007</u>	 <u>5,536,321</u>	 <u>(215,815)</u>	 <u>34,964,513</u>
 <u>Less Accumulated Depreciation</u>				
Land Improvements	\$ (79,672)	(8,100)	22,402	(65,370)
Buildings and Improvements	(2,228,851)	(144,126)		(2,372,977)
Machinery and Equipment	(2,173,489)	(358,633)	113,744	(2,418,378)
Infrastructure	(6,193,615)	(325,945)	53,477	(6,466,083)
Total Accumulated Depreciation	<u>\$ (10,675,627)</u>	<u>(836,804)</u>	<u>189,623</u>	<u>(11,322,808)</u>
 Net Capital Assets	 <u>\$ 18,968,380</u>	 <u>4,699,517</u>	 <u>(26,192)</u>	 <u>23,641,705</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 152,960
Public Safety	202,198
Health and Sanitation	98,075
Highway and Transportaiton	310,514
Library	13,006
Park and Recreation	60,053
Total Depreciation Expense	<u>\$ 836,806</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

C. INTERFUND RECEIVABLES/PAYABLES, TRANSFERS, AND ADVANCES

For the Statement of Net Assets, interfund balances which are owed within the governmental activities are netted and eliminated. The principal reason for the below interfund amounts relate to a time lag between the dates the transactions are recorded and the dates payments are made between funds.

The following is a schedule of interfund receivables and payables at December 31, 2006:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Fund	\$ 17,468
General Fund	Stormwater Fund	138,637
General Fund	Library Fund	23,728
General Fund	Library Gift Fund	2,023
General Fund	Five Year Capital Projects Fund	6,243
General Fund	Debt Service Fund	98,201
General Fund	Stormwater Capital Project Fund	189,480
General Fund	TID#2 Stormwater Capital Project Fund	657
General Fund	TID #2 Special Revenue Fund	2
Emergency Medical Service	General Fund	47,129
Cable TV Fund	General Fund	2,136
		<u>\$ 525,704</u>

The following is a schedule of interfund transfers during the year ended December 31, 2006:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Debt Service Fund	Sewer Fund	\$ 593,150
	Stormwater Fund	238,831
	TID #2 Fund	263,301
	5 Year Capital Project Fund	4,432
		<u>1,099,714</u>
Capital Projects	Stormwater Fund	3,436,511
	TID #2 Fund	3,499,165
Library Operations Fund	General Fund	4,500
		<u>\$ 8,039,890</u>

During 2004 the General Fund advanced funds to the Cable TV Fund and at December 31, 2006 the balance outstanding was \$16,736. This advance will be repaid from future cable TV franchise fees.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

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

During 2006 the General Fund advanced funds to the Municipal Water Fund. The Village is currently exploring the possibility of creating a limited municipal water system. Expenditures are being segregated and will be included in project costs. The advance balance outstanding as of December 31, 2006 is \$33,839.

During 2006 the Sewer Fund advanced funds to the TID #2 Special Revenue Fund for a loan to a developer to renovate a historical building within the Village. The advance will be repaid with future tax increments. The tax district will repay these funds with interest at the Village's average rate earned on funds invested in the LGIP annually. For 2006 interest of \$6,973 was accrued at a rate of 4.9%. The total advanced as of December 31, 2006 was \$310,776.

During 2006 the Debt Service Fund advanced funds to the TID #2 Special Revenue Fund for repayment of debt obligations associated with the TID stormwater project. The advance will be repaid with future tax increments. The tax district will repay these funds with interest at the Village's average rate earned on funds invested in the LGIP annually. For 2006 interest of \$3,907 was accrued at a rate of 4.9%. The total advanced as of December 31, 2006 was \$271,426.

D. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2006 is summarized below:

	Balance 1/1/2006	Additions	Reductions	Balance 12/31/2006	Due In One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General Obligation Debt	\$ 16,833,294	-	559,432	16,273,862	579,432
Other Liabilities:					
Vested compensated absences	277,510	149,904	122,095	305,319	129,178
Benefit agreements payable	172,588	-	69,751	102,837	15,364
	\$ 17,283,392	149,904	751,278	16,682,018	723,974

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated in the Debt Service Fund.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2006, was \$53.5 million. Total general obligation debt outstanding at year end was \$16.3 million.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

D. LONG-TERM OBLIGATIONS (continued)

Type	Date of Issue	Interest Rate	Principal Due	Interest Payable	Original Amount	Balance 12/31/2006
General Obligation						
Promissory Notes	1999	none	1/31/00-08	n/a	\$ 39,886	\$ 8,862
Refunding Bonds	2001	3.00-4.60	10/1/2-16	4/1&10/1	6,385,000	4,805,000
Stormwater Improvement Bonds	2003	3.1-4.4%	12/1/06-23	6/1 & 12/1	4,350,000	4,225,000
	2005	3.35-4.2%	3/1/08-25	3/1 & 9/1	7,235,000	7,235,000
						<u>\$ 16,273,862</u>

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

Year	Principal	Interest	Total	Balance Outstanding 12/31
2006				\$ 16,273,862
2007	\$ 579,431	647,108	1,226,539	15,694,431
2008	634,431	625,039	1,259,470	15,060,000
2009	675,000	600,758	1,275,758	14,385,000
2010	735,000	574,920	1,309,920	13,650,000
2011	770,000	547,459	1,317,459	12,880,000
2012-2016	4,930,000	2,230,404	7,160,404	7,950,000
2017-2021	4,055,000	1,271,844	5,326,844	3,895,000
2022-2025	3,895,000	332,567	4,227,567	-
	<u>\$ 16,273,862</u>	<u>6,830,099</u>	<u>23,103,961</u>	

Other Liabilities

Other liabilities reported as long-term debt include the following:

Vested compensated absences attributed to governmental activities for employee sick and vacation benefits that will be liquidated primarily by the General Fund.

Benefit agreements payable which represent the continuation of health insurance as termination benefits for certain employees that will be liquidated by both funds designated in the General Fund for long-term health benefits and future General Fund appropriations.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. NET ASSETS/FUND BALANCES

Net Assets reported on the Government Wide Statement of Net Assets at December 31, 2006 include the following:

Invested in capital assets, net of related debt	
Land	\$ 5,528,127
Construction in progress	5,439,413
Other capital assets, net of accumulated depreciation	12,674,165
Less: related long-term debt outstanding, less any unspent portion	<u>(9,190,591)</u>
Total Invested in Capital Assets	14,451,114
Restricted for debt service	1,037,732
Unrestricted (deficit)	<u>(1,651,802)</u>
Total Governmental Activities Net Assets	<u>\$ 13,837,044</u>

Fund balances reported in the governmental funds balance sheet at December 31, 2006 are further classified as follows

Reserved	
<u>Major Funds</u>	
General Fund- noncurrent assets and prepaids	\$ 53,897
Special Revenue Funds	
Sewer Fund	
Noncurrent assets	310,776
Future debt service	468,246
Stormwater Fund - debt service	142,169
Capital Project Funds	
Encumbrances	2,499,409
Debt Service Fund	<u>477,790</u>
Total Reserved Fund Balance	<u>\$ 3,952,287</u>

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE IV – DETAILED NOTES ON ALL FUNDS (continued)

E. NET ASSETS/FUND BALANCES (continued)

Unreserved

Major Funds

General Fund

Designated for Subsequent Year Budget Appropriations	\$ 300,000
Designated for Working Capital	805,155
Designated for long-term health benefits	75,152
Designated for Memorials	2,752
Designated for Public Safety-Police	6,397
Designated for Public Safety-Fire	35,861
Designated for Community Beautification	5,285
Designated for Specific Community Events	1,299
Undesignated	<u>1,042,320</u>
Total General Fund	<u>2,274,221</u>

5 Year Capital Projects Fund

Designated for Subsequent Year Budget Appropriations	525,312
Designated for Five Year Capital Projects	<u>841,958</u>
Total Capital Projects Fund	<u>1,367,270</u>

Non-Major Funds

Library Fund

Designated for Subsequent Year Budget Appropriations	8,100
Undesignated	<u>2,857</u>
Total Library Fund	<u>10,957</u>

Cable TV Fund

Undesignated (deficit)	<u>(14,600)</u>
------------------------	-----------------

Emergency Medical Service (EMS) Fund

Designated for Subsequent Year Budget Appropriations	16,000
Designated for Public Safety-EMS	39,494
Undesignated	<u>10,283</u>
Total Emergency Medical Service Fund	<u>65,777</u>

TID # 2 Fund

Undesignated (deficit)	<u>(582,202)</u>
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Municipal Water Capital Fund

Undesignated (deficit)	<u>(37,618)</u>
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Total Unreserved Fund Balance	<u>3,083,805</u>
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Total Government Fund Balance	<u>\$ 7,036,092</u>
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VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS December 31, 2006

NOTE V – OTHER INFORMATION

A. EMPLOYEE'S RETIREMENT SYSTEM

All eligible Village of Elm Grove 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 are eligible to participate in the System. Covered employees in the general category are required by statute to contribute 5.9% of their salary (2.9% for executives and elected officials, 5.0% for protective occupations with social security, and 3.3% for protective occupations without social security) to the plan. Employers may make these contributions to the plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for employees covered by the System for the year ended December 31, 2006 was \$2,490,835; the employer's total payroll was \$2,763,321. The total required contribution paid entirely by the employer for the year ended December 31, 2006 was \$359,523, which consisted of \$222,287 or 8.04% of payroll from the employer and \$137,236 or 4.97% of payroll from employees. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ended December 31, 2005 and 2004 were \$347,167 and \$337,275 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. Retirement benefits are calculated as 1.6% (2.0% for executives, elected officials, and protective occupations with social security and 2.5% for protective occupations without social security) of final average earnings for each year of creditable service. Final Average Earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

There is no pension related debt for the Village as of December 31, 2006.

VILLAGE OF ELM GROVE

NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE V – OTHER INFORMATION (continued)

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; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Village purchases commercial insurance. There has been no reduction in insurance coverage from coverage in the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

C. COMMITMENTS AND CONTINGENCIES

From time to time the Village becomes involved in legal actions and claims, most of which normally occur in governmental operations. These legal actions and claims are defended by the Village's various insurance carriers, since claims brought against the Village are covered by insurance policies. In the opinion of Village management, any legal actions and claims or other proceedings known to exist at December 31, 2006, are not likely to have a material adverse impact on the Village's financial position.

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

At December 31, 2006 the Village had contractual commitments of approximately \$3.2 million related to its stormwater construction project. The remaining cost of this major project is expected to be financed with the available fund balance in the Stormwater Fund which is principally from a \$7.2 million borrowing in 2005 and future grant commitments. There is a contractual dispute that is ongoing regarding an alleged change in condition that may result in additional expenses to the Village if the Village does not prevail.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 3,067,041	3,067,041	3,066,296	(745)
	<u>3,067,041</u>	<u>3,067,041</u>	<u>3,066,296</u>	<u>(745)</u>
INTERGOVERNMENTAL REVENUES				
State shared revenues	277,400	277,400	277,220	(180)
Fire insurance dues	30,000	30,000	32,076	2,076
State and federal grants				
Transportation aids	428,900	428,900	428,905	5
Exempt computer aid	20,000	20,000	15,986	(4,014)
Local Road Improvement Grant	-	-	22,625	22,625
Urban Wildlife	-	-	1,066	1,066
Waukesha County				
Recycling Grant	41,500	41,500	40,556	(944)
DARE grant	1,260	1,260	-	(1,260)
	<u>799,060</u>	<u>799,060</u>	<u>818,434</u>	<u>19,374</u>
LICENSES AND PERMITS				
Licenses	13,426	13,426	45,991	32,565
Cable TV franchise fees	34,500	34,500	38,811	4,311
Permits	116,025	116,025	166,546	50,521
	<u>163,951</u>	<u>163,951</u>	<u>251,348</u>	<u>87,397</u>
FINES, FORFEITURES AND PENALTIES				
Court fines	125,500	125,500	182,511	57,011
	<u>125,500</u>	<u>125,500</u>	<u>182,511</u>	<u>57,011</u>
PUBLIC CHARGES FOR SERVICES				
General government	6,150	6,150	7,624	1,474
Protection of persons and property	5,750	5,750	6,186	436
Dog and cat license fees	5,000	5,000	4,598	(402)
Leisure activities				
Swim team	13,500	13,500	11,693	(1,807)
Swimming lessons	25,000	25,000	21,906	(3,094)
Swimming fees	49,000	49,000	41,486	(7,514)
Pool rental	3,500	3,500	2,988	(512)
Tennis team	5,500	5,500	2,896	(2,604)
Tennis lessons	7,500	7,500	6,602	(898)
Tennis fees	1,200	1,200	2,119	919

VILLAGE OF ELM GROVE

GENERAL FUND-REVENUES

Budgetary Comparison Schedule (Non-GAAP)
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Current (continued)				
Golf lessons	\$ 1,300	1,300	1,040	(260)
Summer recreation	8,100	8,100	12,653	4,553
Baseball	-	-	2,016	2,016
Summer sports programs	6,200	6,200	5,306	(894)
Aerobic/ exercise	12,000	12,000	10,418	(1,582)
Children's activities	9,000	9,000	7,411	(1,589)
Soda sales	12,500	12,500	9,223	(3,277)
Picnic reservations	2,000	2,000	166	(1,834)
Adult programs	7,500	7,500	7,765	265
Miscellaneous recreation	2,400	2,400	2,644	244
Public works				
Solid waste user charge	380,900	380,900	383,014	2,114
Miscellaneous public works	4,100	4,100	6,614	2,514
	568,100	568,100	556,368	(11,732)
COMMERCIAL REVENUES				
Investment income	110,000	110,000	193,642	83,642
Cell tower lease revenue	67,000	67,000	86,761	19,761
Miscellaneous revenue	900	900	673	(227)
	177,900	177,900	281,076	103,176
TOTAL REVENUES ON BUDGETARY BASIS	\$ 4,901,552	4,901,552	5,156,033	254,481
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Intergovernmental Revenue			16,050	
Commercial Revenue			27,201	
TOTAL REVENUES			\$ 5,199,284	

See notes to required supplementary information.

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)

Budgetary Comparison Schedule (continued)

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT				
General Government				
Salaries and wages	\$ 269,100	279,840	288,543	(8,703)
Fringe benefits	124,760	126,700	108,728	17,972
Legal	50,000	50,000	12,809	37,191
Attorney's retainer	12,750	12,750	11,291	1,459
Election	11,110	11,110	8,615	2,495
Office supplies	6,300	6,300	5,899	401
Printing, publishing, and postage	20,000	20,000	20,651	(651)
Utilities	110,000	110,000	87,261	22,739
Contracted services				
Tax roll preparation	4,000	4,000	4,419	(419)
Weights and measures	1,200	1,200	800	400
Audit and accounting	11,000	11,000	12,427	(1,427)
Payroll service	6,500	6,500	6,822	(322)
Assessor services	82,785	82,785	97,272	(14,487)
Elmbrook Humane Society	8,500	8,500	8,925	(425)
Wildlife management	1,200	1,200	1,897	(697)
Computer maintenance	19,000	19,000	21,009	(2,009)
Office equipment maintenance	11,225	11,225	9,546	1,679
Building cleaning	27,072	27,072	27,118	(46)
Internet expense	8,000	8,000	6,854	1,146
Zoning administrative	7,600	7,600	7,589	11
GIS Expense	6,900	6,900	8,697	(1,797)
Insurance	150,130	150,130	141,762	8,368
Professional dues, memberships and training	15,000	15,000	10,359	4,641
License expense	900	900	1,495	(595)
Community relations	4,000	4,000	3,321	679
July 4th Celebration	13,000	13,000	13,714	(714)
Building maintenance	18,000	18,000	18,807	(807)
Refund/ write-off delinquent taxes	-	-	2,780	(2,780)
Miscellaneous	6,500	6,500	6,673	(173)
	<u>1,006,532</u>	<u>1,019,212</u>	<u>956,083</u>	<u>63,129</u>
Municipal Court				
Salaries and wages	36,540	37,265	37,396	(131)
Fringe benefits	5,565	5,695	5,772	(77)
Witness fees	200	200	15	185
Transfer fees	675	675	-	675
Office supplies	3,000	3,000	2,993	7
Miscellaneous	1,400	1,400	3,217	(1,817)
Judicial education	1,750	1,750	1,727	23
Legal	35,000	35,000	36,069	(1,069)
	<u>84,130</u>	<u>84,985</u>	<u>87,189</u>	<u>(2,204)</u>
 Total General Government	 <u>1,090,662</u>	 <u>1,104,197</u>	 <u>1,043,272</u>	 <u>60,925</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)

Budgetary Comparison Schedule (continued)

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Public Safety				
Police Department				
Salaries and wages	\$ 1,127,900	1,143,190	1,075,273	67,917
Fringe benefits	571,750	575,970	507,557	68,413
Uniform/mileage	10,000	10,000	9,870	130
Equipment maintenance	51,500	51,500	46,244	5,256
Memberships and training	16,300	16,300	18,275	(1,975)
Sundry	3,800	3,800	3,278	522
	<u>1,781,250</u>	<u>1,800,760</u>	<u>1,660,497</u>	<u>140,263</u>
Dispatch Department				
Salaries and wages	222,725	231,065	227,151	3,914
Fringe benefits	107,585	109,090	92,042	17,048
Uniform/mileage	1,600	1,600	1,372	228
Communications maintenance	37,400	37,400	36,471	929
Memberships and training	4,850	4,850	1,822	3,028
Sundry	4,700	4,700	3,359	1,341
	<u>378,860</u>	<u>388,705</u>	<u>362,217</u>	<u>26,488</u>
Fire Department				
Wages and paid on call	190,000	190,725	182,603	8,122
Fringe benefits	32,700	32,896	32,449	447
Special Response Team	2,520	2,520	2,520	-
Fire drill payments	10,200	10,200	10,200	-
Equipment and operating	18,500	18,500	16,517	1,983
Communications maintenance	2,250	2,250	3,378	(1,128)
Protective clothing	500	500	604	(104)
Memberships, training, prevention	6,200	6,200	5,800	400
	<u>262,870</u>	<u>263,791</u>	<u>254,071</u>	<u>9,720</u>
Inspection				
Building	42,500	42,500	64,481	(21,981)
Electrical	12,400	12,400	14,325	(1,925)
Plumbing	10,600	10,600	12,653	(2,053)
Special	2,000	2,000	5,471	(3,471)
	<u>67,500</u>	<u>67,500</u>	<u>96,930</u>	<u>(29,430)</u>
 Total Public Safety	 <u>2,490,480</u>	 <u>2,520,756</u>	 <u>2,373,715</u>	 <u>147,041</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)

Budgetary Comparison Schedule (continued)

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Health and Sanitation				
Salaries and wages	\$ 63,250	63,250	47,302	15,948
Fringe benefits	365	365	21,082	(20,717)
Waste collection	187,500	187,500	185,615	1,885
Recycling collections	99,900	99,900	99,056	844
Brush disposal	27,000	27,000	23,922	3,078
Household hazardous waste disposal	1,000	1,000	880	120
Total Health and Sanitation	<u>379,015</u>	<u>379,015</u>	<u>377,857</u>	<u>1,158</u>
Highway and Transportation				
Department of Public Works				
Salaries and wages	286,070	296,565	296,146	419
Fringe benefits	177,200	179,100	134,909	44,191
Utilities	22,400	22,400	19,089	3,311
Pavement maintenance	80,000	85,150	90,142	(4,992)
Snow and ice control	20,000	20,000	19,945	55
Building and ground maintenance	5,000	5,000	5,479	(479)
Traffic control	32,000	32,000	31,551	449
Equipment maintenance	60,000	60,000	42,979	17,021
Sundry	8,000	8,000	6,582	1,418
Engineering	9,500	9,500	4,315	5,185
	<u>700,170</u>	<u>717,715</u>	<u>651,137</u>	<u>66,578</u>
Forestry				
Salaries and wages	4,650	4,650	3,922	728
Fringe benefits	360	360	300	60
Forestry tree care	23,500	23,500	20,410	3,090
Elm tree treatment	6,000	6,000	4,857	1,143
Landscaping	7,500	7,500	6,271	1,229
	<u>42,010</u>	<u>42,010</u>	<u>35,760</u>	<u>6,250</u>
Total Highway and Transportation	<u>742,180</u>	<u>759,725</u>	<u>686,897</u>	<u>72,828</u>

VILLAGE OF ELM GROVE

GENERAL FUND-EXPENDITURES (Non-GAAP)

Budgetary Comparison Schedule (continued)

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
CURRENT (continued)				
Park and Recreation				
Salaries and wages	\$ 94,240	97,665	93,652	4,013
Fringe benefits	18,215	18,835	16,165	2,670
Instructor fees	19,500	19,500	17,606	1,894
Operating supplies	29,000	29,000	25,296	3,704
Sundry	6,950	6,950	7,931	(981)
Baseball program	200	200	3,370	(3,170)
Swimming program	2,500	2,500	3,773	(1,273)
Tennis program	1,000	1,000	1,225	(225)
Soda/snack	8,000	8,000	6,325	1,675
Summer recreation	6,750	6,750	7,177	(427)
Total Park and Recreation	<u>186,355</u>	<u>190,400</u>	<u>182,520</u>	<u>7,880</u>
TOTAL CURRENT	<u>4,888,692</u>	<u>4,954,093</u>	<u>4,664,261</u>	<u>289,832</u>
Contingency	102,110	32,209	-	32,209
Contingency -HRA	<u>175,000</u>	<u>175,000</u>	-	<u>175,000</u>
Total Contingency	<u>277,110</u>	<u>207,209</u>	-	<u>207,209</u>
Transfer to other funds				
Library Operations	-	4,500	4,500	-
	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Capital Outlay				
Computer Router and Installation	4,500	4,500	4,038	462
Village Hall rubbish enclosure	4,750	4,750	-	4,750
Recreation Software	<u>1,500</u>	<u>1,500</u>	<u>1,400</u>	<u>100</u>
Total New Equipment	<u>10,750</u>	<u>10,750</u>	<u>5,438</u>	<u>5,312</u>
TOTAL EXPENDITURES AND TRANSFERS				
ON BUDGETARY BASIS	<u>\$ 5,176,552</u>	<u>5,176,552</u>	<u>4,674,199</u>	<u>502,353</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Long-term accrued health benefits for former police chief charged to liability			10,934	
Expenditures charged to designated accounts				
General Government			9,451	
Public Safety			6,500	
Park and Recreation			12,361	
Capital Outlay			<u>14,137</u>	
TOTAL EXPENDITURES AND TRANSFERS			<u>\$ 4,727,582</u>	

See notes to required supplementary information.

VILLAGE OF ELM GROVE

Sewer Fund

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,677,600	1,677,600	1,677,600	-
Public charges for services - user and connection charge	698,750	698,750	705,219	6,469
Commercial revenues				
Investment income	38,000	38,000	66,260	28,260
Miscellaneous Income	-	-	17	17
Total Revenues	<u>2,414,350</u>	<u>2,414,350</u>	<u>2,449,096</u>	<u>34,746</u>
EXPENDITURES				
Current - health and sanitation				
Metropolitan sewer and capital cost recovery charges	1,584,100	1,584,100	1,579,823	4,277
Inspection and engineering	15,000	15,000	9,167	5,833
Legal and audit	15,800	15,800	15,101	699
Administrative	54,300	54,300	54,959	(659)
Miscellaneous	4,500	4,500	5,224	(724)
Infrastructure repair and maintenance	60,000	60,000	63,052	(3,052)
Capital outlay				
Infrastructure	360,000	360,000	305,063	54,937
Equipment	2,500	2,500	2,822	(322)
Total Expenditures	<u>2,096,200</u>	<u>2,096,200</u>	<u>2,035,211</u>	<u>60,989</u>
Excess of revenues over (under) expenditures	318,150	318,150	413,885	95,735
OTHER FINANCING SOURCES (USES)				
Transfer out - Debt Service Fund	<u>(593,150)</u>	<u>(593,150)</u>	<u>(593,150)</u>	<u>-</u>
Net change in fund balance	<u>\$ (275,000)</u>	<u>(275,000)</u>	(179,265)	<u>95,735</u>
FUND BALANCE - Beginning of Year			958,287	
FUND BALANCE - END OF YEAR			<u>\$ 779,022</u>	

See notes to required supplementary information.

VILLAGE OF ELM GROVE
Stormwater Operations Fund
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 227,000	227,000	227,000	-
Property taxes- TIF Increment	31,690	-	-	-
Intergovernmental revenues	88,500	-	-	-
Public charges for services	274,365	274,365	274,860	495
Commercial revenues				
Investment Income	52,050	-	13,186	13,186
Total Revenues	<u>673,605</u>	<u>501,365</u>	<u>515,046</u>	<u>495</u>
EXPENDITURES				
Current - health and sanitation				
Infrastructure repair and maintenance	40,000	40,000	15,885	24,115
Administrative	175,000	175,000	161,836	13,164
Inspection, engineering, audit	15,000	15,000	5,729	9,271
Capital outlay	<u>8,360,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,590,900</u>	<u>230,000</u>	<u>183,450</u>	<u>46,550</u>
Excess of revenues over (under) expenditures	(7,917,295)	271,365	331,596	47,045
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Project Funds				
Stormwater Project	-	-	(3,436,511)	3,436,511
TID # 2 Project	-	-	(3,499,165)	3,499,165
Transfer to Debt Service Fund	-	(239,654)	(238,831)	(823)
Outside Financing	1,000,000	-	-	-
Funds Advanced-Debt Service Fund	427,100	-	-	-
Funds Advanced- Sewer Fund	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,290,195)</u>	<u>271,365</u>	<u>(6,842,911)</u>	<u>47,045</u>
FUND BALANCE - Beginning of Year			<u>6,985,080</u>	
FUND BALANCE - END OF YEAR			<u>\$ 142,169</u>	

See notes to required supplementary information.

VILLAGE OF ELM GROVE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2006

NOTE 1 – BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budgets.

The Village adopted annual individual fund budgets for all governmental funds. These budgets are adopted in accordance with State Statutes. The actual results of operations presented in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2006 budget. For purposes of preparing the Budgetary Comparison Schedules of Revenue, Expenditures and Changes in Fund Balance, the actual results of operations have been adjusted to a basis consistent with the Village's budgeted revenues and expenditures. The budgetary data reflects the approved budgets of the above funds including amendments adopted by the Village Board. All annual appropriations lapse at year-end except for certain nonlapsing funds specifically designated by the Board. Budgetary control is exercised at the total fund level for all funds.

SUPPLEMENTARY INFORMATION

VILLAGE OF ELM GROVE

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2006**

	Special Revenue Funds				Capital Projects	Total
	Library Fund	EMS Fund	Cable TV Fund	TID #2 Fund	Water Fund	
ASSETS						
Cash and temporary investments	\$ 225,252	177,863	-	58,928	-	462,043
Taxes receivable	142,950	40,422	-	47,778	-	231,150
Accounts Receivable	-	-	-	-	-	-
Due from other funds	-	47,129	2,136	-	-	49,265
TOTAL ASSETS	\$ 368,202	265,414	2,136	106,706	-	742,458
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 4,625	42,504	-	-	3,779	50,908
Accrued payroll and related liabilities	9,637	66,858	-	-	-	76,495
Due to other funds	23,728	-	-	-	-	23,728
Advance from other funds	-	-	16,736	582,202	33,839	632,777
Deferred revenue	319,255	90,275	-	106,706	-	516,236
Total Liabilities	<u>357,245</u>	<u>199,637</u>	<u>16,736</u>	<u>688,908</u>	<u>37,618</u>	<u>1,300,144</u>
Fund Balances						
Unreserved	-	-	-	-	-	-
Designated						
Subsequent year budget appropriations	8,100	16,000	-	-	-	24,100
Capital Projects	-	-	-	-	(37,618)	(37,618)
Emergency Medical Service	-	39,494	-	-	-	39,494
Undesignated (deficit)	<u>2,857</u>	<u>10,283</u>	<u>(14,600)</u>	<u>(582,202)</u>	<u>-</u>	<u>(583,662)</u>
Total Fund Balances	<u>10,957</u>	<u>65,777</u>	<u>(14,600)</u>	<u>(582,202)</u>	<u>(37,618)</u>	<u>(557,686)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 368,202	265,414	2,136	106,706	-	742,458

VILLAGE OF ELM GROVE

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the Year Ended December 31, 2006

	Special Revenue Funds				Capital Projects-	Totals
	Library Fund	EMS Fund	Cable TV Fund	TID #2 Fund	Water Fund	
REVENUES						
Property taxes	\$ 313,610	90,025	-	32,115	-	435,750
Intergovernmental revenues	39,198	56,943	-	11,085	-	107,226
Public charges for services	12,268	86,391	2,136	-	-	100,795
Commercial revenues						
Donations	-	2,525	300	-	-	2,825
Sale of Village Property	-	-	-	-	-	-
Investment income	6,580	6,202	-	-	-	12,782
Total Revenues	<u>371,656</u>	<u>242,086</u>	<u>2,436</u>	<u>43,200</u>	<u>-</u>	<u>659,378</u>
EXPENDITURES						
Current						
General Government	-	-	175	4,217	-	4,392
Library	371,249	-	-	-	-	371,249
Public Safety- Emergency Medical Service	-	164,003	-	-	-	164,003
Community Development	-	-	-	347,003	-	347,003
Interest	-	-	-	10,881	-	10,881
Capital Outlay	-	50,090	-	-	37,618	87,708
Total Expenditures	<u>371,249</u>	<u>214,093</u>	<u>175</u>	<u>362,101</u>	<u>37,618</u>	<u>985,236</u>
Excess of revenues over (under) expenditures	407	27,993	2,261	(318,901)	(37,618)	(325,858)
OTHER FINANCING SOURCES (USES)						
Transfer in	4,500	-	-	-	-	4,500
Transfer out	-	-	-	(263,301)	-	(263,301)
Net change in fund balances	4,907	27,993	2,261	(582,202)	(37,618)	(584,659)
FUND BALANCE (Deficit) - Beginning of Year	6,050	37,784	(16,861)	-	-	26,973
FUND BALANCE (Deficit) - END OF YEAR	<u>\$ 10,957</u>	<u>65,777</u>	<u>(14,600)</u>	<u>(582,202)</u>	<u>(37,618)</u>	<u>(557,686)</u>

VILLAGE OF ELM GROVE

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 313,610	313,610	313,610	-
Intergovernmental revenues - crossover lending	37,590	37,590	39,198	1,608
Public charges for services	12,000	12,000	12,268	268
Commercial revenues - investment income	4,000	4,000	6,580	2,580
Total Revenues	<u>367,200</u>	<u>367,200</u>	<u>371,656</u>	<u>4,456</u>
EXPENDITURES				
Current - library				
Salaries and wages	232,500	236,350	226,922	9,428
Fringe benefits	53,675	54,325	56,131	(1,806)
New material and book service	46,657	46,657	45,946	711
Supplies and equipment maintenance	28,550	28,550	35,493	(6,943)
Sundry	8,818	8,818	6,757	2,061
Total Expenditures	<u>370,200</u>	<u>374,700</u>	<u>371,249</u>	<u>3,451</u>
Excess of revenues over (under) expenditures	(3,000)	(7,500)	407	7,907
OTHER FINANCING SOURCES (USES)				
Transfer in	-	4,500	4,500	-
Net change in fund balance	<u>\$ (3,000)</u>	<u>(3,000)</u>	4,907	<u>7,907</u>
FUND BALANCE - Beginning of Year			<u>6,050</u>	
FUND BALANCE - END OF YEAR			<u>\$ 10,957</u>	

VILLAGE OF ELM GROVE

EMERGENCY MEDICAL SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 90,025	90,025	90,025	-
Public charges for services	85,000	85,000	86,391	1,391
Commercial revenues				
Investment income	2,500	2,500	6,202	3,702
Total Revenues	177,525	177,525	182,618	5,093
EXPENDITURES				
Ambulance				
Wages and paid on call	127,100	127,100	117,794	9,306
Fringe benefits	23,525	23,525	20,422	3,103
EMT training	6,400	6,400	4,755	1,645
Uniforms	1,200	1,200	131	1,069
Medical supplies	7,000	7,000	5,012	1,988
Ambulance maintenance	6,000	6,000	3,195	2,805
Ambulance communications	2,000	2,000	2,144	(144)
Ambulance billing fees	6,000	6,000	5,980	20
Miscellaneous	5,800	5,800	5,560	240
Capital Outlay	3,500	3,500	1,065	2,435
Total Expenditures	188,525	188,525	166,058	22,467
Excess of revenues over (under) expenditures	\$ (11,000)	(11,000)	16,560	27,560
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Revenues credited to designated accounts				
Intergovernmental Revenue			56,943	
Commercial Revenue			2,525	
Expenditures charged to designated accounts				
Capital Outlay -Equipment			(49,025)	
Miscellaneous			990	
Net change in fund balance			27,993	
FUND BALANCE - Beginning of Year			37,784	
FUND BALANCE - END OF YEAR			\$ 65,777	

VILLAGE OF ELM GROVE

CABLE TV FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Franchise capital fee	\$ 2,050	2,050	2,136	86
Commercial revenues				
Donations	-	-	300	300
Total Revenues	<u>2,050</u>	<u>2,050</u>	<u>2,436</u>	<u>386</u>
EXPENDITURES				
Program Expenditures	1,000	1,000	175	825
Capital outlay				
Building Improvements	-	-	-	-
Equipment	-	-	-	-
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>175</u>	<u>825</u>
Net change in fund balance	<u>\$ 1,050</u>	<u>1,050</u>	2,261	<u>1,211</u>
FUND BALANCE (Deficit) - Beginning of Year			<u>(16,861)</u>	
FUND BALANCE (Deficit) - END OF YEAR			<u>\$ (14,600)</u>	

VILLAGE OF ELM GROVE

Tax Increment District #2
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ -	32,115	32,115	-
Intergovernmental revenues	-	11,085	11,085	-
Total Revenues	-	<u>43,200</u>	<u>43,200</u>	-
EXPENDITURES				
Current -				
Community Development	-	347,003	347,003	-
Administrative	-	5,000	4,217	783
Interest on Advances	-	-	10,881	(10,881)
Total Expenditures	-	<u>352,003</u>	<u>362,101</u>	<u>(10,098)</u>
Excess of revenues over (under) expenditures	-	(308,803)	(318,901)	(10,098)
OTHER FINANCING SOURCES (USES)				
Transfer to Debt Service	-	(263,301)	(263,301)	-
Net change in fund balance	\$ -	<u>(572,104)</u>	(582,202)	<u>(10,098)</u>
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ (582,202)</u>	

VILLAGE OF ELM GROVE

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 475,000	475,000	475,000	-
Commercial Revenue-investment Income	9,000	9,000	21,796	12,796
Total Revenue	<u>484,000</u>	<u>484,000</u>	<u>496,796</u>	<u>12,796</u>
EXPENDITURES				
Debt service				
Principal	559,432	559,432	559,432	-
Interest	641,456	641,456	597,182	44,274
Total Expenditures	<u>1,200,888</u>	<u>1,200,888</u>	<u>1,156,614</u>	<u>44,274</u>
Excess of revenues over (under) expenditures	(716,888)	(716,888)	(659,818)	57,070
OTHER FINANCING SOURCES				
Transfers in				
Capital Projects Funds	4,432	4,432	4,432	-
Special Revenue Fund				-
Sewer Fund	593,150	593,150	593,150	-
Stormwater Fund	546,406	546,406	238,831	(307,575)
TID # 2	<u>-</u>	<u>-</u>	<u>263,301</u>	<u>263,301</u>
Net change in fund balance	<u>\$ 427,100</u>	<u>427,100</u>	439,896	<u>12,796</u>
FUND BALANCE - Beginning of Year			<u>37,894</u>	
FUND BALANCE - END OF YEAR			<u>\$ 477,790</u>	

VILLAGE OF ELM GROVE

5 YEAR CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 267,600	267,600	267,600	-
Intergovernmental revenue	-	5,126	8,717	3,591
Commercial revenues				
Sale of village property	-	-	26,700	26,700
Donations	21,000	29,750	28,750	(1,000)
Investment income	40,000	40,000	66,191	26,191
Total Revenues	328,600	342,476	397,958	55,482
EXPENDITURES				
Capital outlay				
Equipment	279,065	321,490	159,399	162,091
Building and land improvements	-	19,200	19,522	(322)
Infrastructure	126,000	126,000	147,583	(21,583)
Other	20,000	24,500	28,889	(4,389)
Total Expenditures	425,065	491,190	355,393	135,797
Excess of revenues over (under) expenditures	(96,465)	(148,714)	42,565	191,279
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,432)	(4,432)	(4,432)	-
Net change in fund balance	\$ (100,897)	(153,146)	38,133	191,279
FUND BALANCE - Beginning of Year			1,329,137	
FUND BALANCE - END OF YEAR			\$ 1,367,270	

VILLAGE OF ELM GROVE

CAPITAL PROJECTS FUNDS
Stormwater Project and TID #2
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual			Variance with Final Budget
	Original	Final	Stormwater	TID #2	Total	
REVENUES						
Intergovernmental revenue	\$ -	1,088,500	10,000	-	10,000	1,078,500
Commercial revenues						
Investment income	-	<u>230,000</u>	<u>169,834</u>	<u>78,095</u>	<u>247,929</u>	<u>(17,929)</u>
Total Revenues	-	<u>1,318,500</u>	<u>179,834</u>	<u>78,095</u>	<u>257,929</u>	<u>1,060,571</u>
EXPENDITURES						
Capital outlay	-	<u>5,219,501</u>	<u>1,116,936</u>	<u>3,577,260</u>	<u>4,694,196</u>	<u>525,305</u>
Excess of revenues over (under) expenditures	-	(3,901,001)	(937,102)	(3,499,165)	(4,436,267)	535,266
OTHER FINANCING SOURCES (USES)						
Transfer In - Stormwater Operation Fund	-	<u>6,935,676</u>	<u>3,436,511</u>	<u>3,499,165</u>	<u>6,935,676</u>	-
Net change in fund balance	\$ -	<u>3,034,675</u>	<u>2,499,409</u>	-	<u>2,499,409</u>	<u>535,266</u>
FUND BALANCE - Beginning of Year			-	-	-	
FUND BALANCE - END OF YEAR			<u>\$ 2,499,409</u>	<u>-</u>	<u>2,499,409</u>	

VILLAGE OF ELM GROVE

Municipal Water Project Fund
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Commercial revenues				
Miscellaneous revenue	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay				
Project Design	<u>15,000</u>	<u>15,000</u>	<u>37,618</u>	<u>(22,618)</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>37,618</u>	<u>(22,618)</u>
 Net change in fund balance	 <u>\$ (15,000)</u>	 <u>(15,000)</u>	 <u>(37,618)</u>	 <u>(22,618)</u>
 FUND BALANCE - Beginning of Year			 <u>-</u>	
 FUND BALANCE - END OF YEAR			 <u>\$ (37,618)</u>	

VILLAGE OF ELM GROVE

COMPARATIVE SCHEDULE OF TAXES AND VALUATION DATA
2002- 2006 Tax Rolls

	2002	2003	2004	2005	2006
STATE TAXES	\$ 155,438	170,978	186,961	187,480	187,953
COUNTY TAXES	1,794,825	1,888,153	1,971,835	1,958,696	1,947,971
LOCAL TAXES					
Property taxes	5,645,918	5,667,513	5,997,930	6,117,876	6,225,263
Tax Incremental Financing Taxes	-	-	-	32,115	106,706
SCHOOL TAXES					
School District of Elmbrook	8,352,282	8,939,568	9,397,836	9,593,228	10,313,040
Vocational Adult and Technical Education District	1,095,610	1,138,685	1,178,153	1,168,368	1,179,918
Total School Taxes	9,447,892	10,078,253	10,575,989	10,761,596	11,492,958
Total General Property Taxes	17,044,073	17,804,897	18,732,715	19,057,763	19,960,851
SPECIAL ASSESSMENTS					
Sewer usage charges	517,622	535,411	551,227	582,986	585,984
Solid waste/recycling	316,510	373,146	376,043	383,015	395,580
Stormwater utility fee			148,372	175,182	201,792
Miscellaneous	156	600	3,014	153	760
	834,288	909,157	1,078,656	1,141,336	1,184,116
TOTAL TAX ROLLS	\$ 17,878,361	18,714,054	19,811,371	20,199,099	21,144,967
VALUATION OF ASSESSABLE PROPERTY					
ASSESSED VALUATION	\$ 629,695,595	632,104,570	943,445,645	1,016,078,705	1,082,773,722
EQUALIZED VALUATION	\$ 777,193,700	854,893,000	934,802,600	999,465,800	1,070,282,900
RATIO OF ASSESSED TO EQUALIZED	81.02%	73.94%	100.92%	101.66%	101.17%