

**VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin**

**Audited Financial Statements  
Year Ended December 31, 2014**

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Audited Financial Statements  
Year Ended December 31, 2014

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## Independent Auditors' Report

To the Village Board  
Village of Hales Corners  
Milwaukee County, Wisconsin

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### 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 Hales Corners, Wisconsin as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Hales Corners, Wisconsin's basic financial statements. The combining and individual fund statements and schedules are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Miscellaneous Statistics is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Reilly, Penner & Barton LLP*

May 21, 2015  
Milwaukee, Wisconsin

# Village of Hales Corners

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Hales Corners, Wisconsin 53130  
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## Management's Discussion and Analysis (Unaudited)

To help understand the attached financial statements, management has prepared this discussion and analysis of the Village of Hales Corners' financial activities and performance for the year ended December 31, 2014.

### Overview of the Financial Statements

This report consists of a series of financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information.

### Government-wide Financial Statements

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

The *Statement of Net Position* presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Other non-financial factors play a significant role in determining the Village's overall position, such as changes in property tax base and the condition of the Village's capital assets (i.e. infra-structure and physical plant).

The *Statement of Activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (full accrual method). Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of these government-wide financial statements provide information on the functions of the Village. These governmental activities of the Village include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. These activities are principally financed by taxes, user fees, and state and federal grants and contributions.

The government-wide financial statements can be found on pages 9 and 10 of this report.

## **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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Village of Hales Corners uses only governmental funds, which 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 (modified accrual method). 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 the government-wide financial statements, it is useful to compare the information presented for the 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 Village's near-term financing decisions. Both the *Balance Sheet - Governmental Funds* and the *Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic fund financial statements can be found on pages 11 through 16 of this report.

The Village of Hales Corners adopts an annual appropriated budget for all funds as required by state statute. The *Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund*, found on page 15, has been provided as a basic financial statement to demonstrate compliance with the adopted budget.

## **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 37 of this report.

## Government-wide Financial Analysis and Highlights

As of the year ended December 31, 2014, Village assets exceeded liabilities by \$14,339,523. Of this amount; \$515,446 was restricted; \$13,462,524 invested in capital assets, net of related debt; and \$361,553 was unrestricted. The following condensed financial information related to Village assets, liabilities, and net position has been derived from the Village's government-wide financial statements:

	<u>2014</u>	<u>2013</u>
Assets:		
Capital assets	\$ 19,669,822	\$ 19,483,701
Other assets	<u>10,089,309</u>	<u>10,535,110</u>
Total assets	\$ <u>29,759,131</u>	\$ <u>30,018,811</u>
Liabilities and Net Position:		
Liabilities:		
Long-term liabilities	\$ 7,912,985	\$ 8,174,464
Other liabilities	<u>1,412,736</u>	<u>1,643,899</u>
Total liabilities	<u>9,325,721</u>	<u>9,818,363</u>
Deferred Inflows of Resources	\$ 6,093,887	\$ 5,990,850
Net Position:		
Invested in capital assets, net of related debt	13,462,524	12,876,144
Restricted	515,446	517,056
Unrestricted	<u>361,553</u>	<u>816,398</u>
Total net position	<u>\$ 14,339,523</u>	<u>\$ 14,209,598</u>

**Government-wide Financial Analysis and Highlights (continued)**

Total net position increased by \$129,925 in 2014. The increase is smaller than the 2013 increase of \$899,182. The following condensed financial information related to Village revenues, expenses, and changes in net position has been derived from the Village's government-wide financial statements:

	<u>2014</u>	<u>2013</u>
Revenues:		
Program:		
Charges for services	\$ 1,997,600	\$ 1,961,696
Operating grants and contributions	603,547	564,565
Capital grants and contributions	34,113	731,051
General:		
Taxes	5,091,559	5,035,335
Other	432,186	416,363
Total revenues	<u>8,159,005</u>	<u>8,709,010</u>
Expenses:		
General government	925,471	899,964
Public safety	3,688,798	3,632,154
Public works	2,290,741	2,200,760
Health and human services	181,565	180,073
Culture and recreation	789,788	747,792
Conservation and development	14,910	150
Loss on disposal of capital assets	---	106
Interest on long-term debt	137,807	148,829
Total expenses	<u>8,029,080</u>	<u>7,809,828</u>
Change in net position	129,925	899,182
Net position, beginning of year	14,209,598	13,441,919
Prior period adjustment*	---	(131,503)
Net position, beginning of year as adjusted	<u>14,209,598</u>	<u>13,310,416</u>
Net position, end of year	<u>\$ 14,339,523</u>	<u>\$ 14,209,598</u>

\* As a result of implementing GASB 65, an adjustment of \$131,503 was made to decrease the December 31, 2012 net position by eliminating deferred loan costs.

**Financial Analysis of the Village's Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village's governmental funds are categorized as major and non-major. The two major funds are 1) the General Fund, which accounts for the Village's primary operating activities, 2) the General Capital Projects Fund for the acquisition or construction of major capital facilities and equipment. The non-major funds are segregated into three fund-types: 1) capital projects, 2) special revenue funds, and 3) debt service fund, which accounts for the accumulation of resources for, and the payment of, general long-term obligation principal and interest.

The Village's combined ending fund balance was \$3,116,791. This amount represents the Village's major funds: General Fund - \$1,529,273 and General Capital Projects Fund - \$576,404; and Other Governmental Funds - \$1,011,114.

The General Fund balance of \$1,529,273 is comprised of \$372,838 reserved for specific purposes and \$1,156,435 unassigned. The General Fund balance decreased during the year by \$49,375.

The General Capital Projects Fund has a fund balance of \$576,404, a decrease from the 2013 fund balance of \$900,215. The reduced balance reflects expenditures for a major street rehabilitation, 92nd Street.

The Other Governmental Funds balance totals \$1,011,114, compared to a balance of \$912,013 in 2013.

The capital projects non-major fund has a balance of \$722,613, compared to a balance of \$656,485 in 2013.

The aggregate of non-major special revenue fund balances totals \$198,151, an increase over the prior year balance of \$164,927. These funds account for relatively short-term projects funded primarily by state, federal and private grants and contributions. No significant transactions or changes in fund balances within these funds occurred during 2014.

The debt service non-major fund has a balance of \$90,350, compared to a balance of \$90,601 in 2013.

**General Fund Budgetary Highlights**

The Village Board amended the 2014 originally adopted General Fund operating budget as follows:

	Increase (Decrease)
Current expenditures:	
General government	\$ (201,356)
Public Safety	5,000
Public works	10,000
Culture and recreation	7,000
Net expenditures	<u>(179,356)</u>
Other financing sources and uses:	
Transfers out	<u>179,356</u>
Net Change	\$ <u>---</u>

The amendments were primarily related to reallocations of the general government contingency to departments for unexpected operating costs during the year.

## Capital Asset and Debt Administration

### Capital Assets

The Village's investment in capital assets as of December 31, 2014, amounts to \$19,669,822 (net of accumulated depreciation), and major categories comprising this balance are summarized as follows:

	<u>2014</u>	<u>2013</u>
Land & Construction In Progress	\$ 6,428,807	\$ 6,115,105
Land improvements	164,502	164,502
Buildings	6,681,038	6,634,411
Equipment and furnishings	2,967,656	2,880,787
Infrastructure	9,268,470	8,912,651
Total	<u>25,510,473</u>	<u>24,707,456</u>
Accumulated depreciation	<u>(5,840,651)</u>	<u>(5,223,755)</u>
Net capital assets	<u>\$ 19,669,822</u>	<u>\$ 19,483,701</u>

The additions to capital assets during the current year consisted primarily of the 92nd Street road rehabilitation project.

### Long-term Debt

As of December 31, 2014, the Village had total debt outstanding of \$6,211,444. A summary of outstanding long-term debt is as follows:

General Obligation Debt:	
Bonds and notes	\$ 5,955,000
State Trust Fund loans	<u>256,444</u>
Total long-term debt	<u>\$ 6,211,444</u>

## Economic Factors Affecting the Future

Ongoing state restrictions on local tax levies for operating purposes will limit revenue capacity through 2015. Staff and service reductions are anticipated. Debt service is exempt from the state levy limits, and will not affect the Village's borrowing capacity.

## The Village as Fiduciary

The Village acts as fiduciary for property taxes collected on behalf of other taxing units, including the State of Wisconsin, Milwaukee County, Whitnall School District, MMSD, and Milwaukee County Technical College. Year end balances related to the Village's fiduciary activities are reported in the Statement of Net Position – Fiduciary Fund on page 16. The Village excludes these assets from other financial statements because the Village cannot use these assets to finance its operations.

## Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If there are questions about this report or a need for further information, contact Michael F. Weber, Village of Hales Corners, 5635 S. New Berlin Road, Hales Corners, WI 53130.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Statement of Net Position**  
**December 31, 2014**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and equivalents	\$ 1,185,261
Investments	5,924,664
Taxes receivable	2,629,250
Accounts receivable	238,283
Prepaid items	73,335
Special assessments receivable	38,516
<b>Capital assets:</b>	
Land and construction in progress	6,428,807
Other capital assets net of accumulated depreciation	13,241,015
<b>Net capital assets</b>	<u>19,669,822</u>
<b>Total assets</b>	<u>29,759,131</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	458,852
Accrued wages and benefits	103,971
Accrued interest payable	42,806
Deposits	23,874
Unearned revenue	12,772
Accrued compensated absences - vacation	175,634
Accrued compensated absences - sick	230,253
OPEB obligation	2,066,115
Bonds and notes - due within one year	594,827
Bonds and notes - due in more than one year	5,616,617
<b>Total liabilities</b>	<u>9,325,721</u>
<b>Deferred Inflows of Resources:</b>	
Deferred contributions	50,000
Deferred property taxes	6,043,887
<b>Total deferred inflows of resources</b>	<u>6,093,887</u>
<b>Net Position:</b>	
Net investment in capital assets	13,462,524
Restricted for:	
Capital projects	385,729
Debt service	90,350
Other	39,367
Unrestricted	361,553
<b>Total net position</b>	<u>\$ 14,339,523</u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Statement of Activities  
Year Ended December 31, 2014

	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Changes in Net Position of Governmental Activities</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental activities:</b>				
General government	\$ 925,471	\$ 123,700	\$ ---	\$ (801,771)
Public safety	3,688,798	504,317	57,384	(3,127,097)
Public works	2,290,741	1,182,124	453,443	(621,061)
Health and human services	181,565	20,225	34,219	(127,121)
Culture and recreation	789,788	167,234	57,916	(564,638)
Conservation and development	14,910	---	585	(14,325)
Interest on long-term debt	137,807	---	---	(137,807)
<b>Total governmental activities</b>	<u>\$ 8,029,080</u>	<u>\$ 1,997,600</u>	<u>\$ 603,547</u>	<u>\$ (5,393,820)</u>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property taxes levied for general purposes				4,371,371
Property taxes levied for debt service				673,500
Property taxes levied for TID districts				46,688
Grants and contributions not restricted to specific programs				248,344
Gain on disposal of capital assets				4,000
Investment earnings				19,327
Other revenues				160,515
<b>Total general revenues</b>				<u>5,523,745</u>
<b>Change in net position</b>				<u>129,925</u>
<b>Net position, beginning of year</b>				<u>14,209,598</u>
<b>Net position, end of year</b>				<u>\$ 14,339,523</u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Balance Sheet - Governmental Funds  
December 31, 2014

	General	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and equivalents	\$ 1,180,958	\$ ---	4,303	\$ 1,185,261
Investments	4,080,760	602,679	1,241,225	5,924,664
<b>Receivables:</b>				
Taxes	1,833,597	---	795,653	2,629,250
Special assessments	---	---	38,516	38,516
Accounts	237,990	---	293	238,283
Prepaid expenses	73,335	---	---	73,335
Due from other funds	34,355	---	2,494	36,849
Advances to other funds	172,629	---	---	172,629
<b>Total assets</b>	<b>7,613,624</b>	<b>602,679</b>	<b>2,082,484</b>	<b>10,298,787</b>
<b>Liabilities:</b>				
Accounts payable	451,882	6,970	---	458,852
Accrued wages and benefits	103,971	---	---	103,971
Deposits	23,874	---	---	23,874
Unearned revenue	---	---	12,772	12,772
Accrued compensated absences	175,634	---	---	175,634
Due to other funds	---	19,305	17,544	36,849
Advances from other funds	---	---	172,629	172,629
<b>Total liabilities</b>	<b>755,361</b>	<b>26,275</b>	<b>202,945</b>	<b>984,581</b>
<b>Deferred inflows of resources:</b>				
Unavailable resources	80,756	---	22,772	103,528
Deferred contributions	---	---	50,000	50,000
Deferred property taxes	5,248,234	---	795,653	6,043,887
<b>Total deferred inflows of resources</b>	<b>5,328,990</b>	<b>---</b>	<b>868,425</b>	<b>6,197,415</b>
<b>Fund Balance:</b>				
Nonspendable	248,601	---	---	248,601
Restricted	---	---	515,446	515,446
Committed	124,237	576,404	647,662	1,348,303
Unassigned	1,156,435	---	(151,994)	1,004,441
<b>Total fund balance</b>	<b>\$ 1,529,273</b>	<b>\$ 576,404</b>	<b>\$ 1,011,114</b>	<b>\$ 3,116,791</b>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HALES CORNERS  
 Milwaukee County, Wisconsin

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
 December 31, 2014

Total fund balance of governmental funds \$ 3,116,791

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

Capital assets used in governmental activities are not financial resources and therefore are not recognized in the fund statements.

Land and construction in progress

6,428,807  
 13,241,015

Other capital assets net of accumulated depreciation

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

MCFLS receivable

80,756  
 22,772

Special assessments receivable

The following long-term liabilities which are not due and payable in the current period are not recognized in the funds:

Bonds and promissory notes payable

(6,211,444)

Compensated absences payable - sick pay

(230,253)

OPEB Obligation

(2,066,115)

Accrued interest payable on long-term bonds and notes

(42,806)

**Net position of governmental activities**

\$ 14,339,523

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2014**

	<u>General</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 4,371,371	\$ ---	\$ 720,188	\$ 5,091,559
<b>Public charges for services:</b>				
Licenses	46,245	---	---	46,245
Permits	69,302	---	---	69,302
Fines and forfeitures	179,013	---	---	179,013
Other charges for services	1,587,873	7,110	123,779	1,718,762
<b>Operating grants and contributions:</b>				
Intergovernmental	739,845	---	43,288	783,133
Other	---	---	68,758	68,758
<b>Capital grants and contributions:</b>				
Intergovernmental	---	34,113	---	34,113
Interest income	15,322	1,058	2,947	19,327
Interest on advances to other funds	2,147	---	---	2,147
Miscellaneous revenues	133,601	24,864	2,050	160,515
<b>Total revenues</b>	<u>7,144,719</u>	<u>67,145</u>	<u>961,010</u>	<u>8,172,874</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	862,125	1,135	2,273	865,533
Public safety	3,069,548	3,967	45,995	3,119,510
Public works	1,599,800	329,924	53,187	1,982,911
Health and human services	140,058	---	34,219	174,277
Culture, recreation and education	670,757	18,672	67,470	756,899
Conservation and development	---	14,760	150	14,910
Interest on advances	---	---	2,147	2,147
Capital outlay	---	723,104	106,902	830,006
<b>Debt Service:</b>				
Principal payments	---	---	563,075	563,075
Interest payments	---	---	141,691	141,691
<b>Total expenditures</b>	<u>6,342,288</u>	<u>1,091,562</u>	<u>1,017,109</u>	<u>8,450,959</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	802,431	(1,024,417)	(56,099)	(278,085)
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	---	---	4,000	4,000
Transfers from other funds	---	700,606	186,133	886,739
Transfers to other funds	(851,806)	---	(34,933)	(886,739)
<b>Net change in fund balance</b>	<u>(49,375)</u>	<u>(323,811)</u>	<u>99,101</u>	<u>(274,085)</u>
<b>Fund Balance:</b>				
Beginning of year	<u>1,578,648</u>	<u>900,215</u>	<u>912,013</u>	<u>3,390,876</u>
<b>End of year</b>	<u>\$ 1,529,273</u>	<u>\$ 576,404</u>	<u>\$ 1,011,114</u>	<u>\$ 3,116,791</u>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2014**

Net change in fund balances of governmental funds	\$ (274,085)
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
<p>Governmental funds report capital outlays as expenditures. In the government-wide statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation.</p>	
Governmental capital outlays in fund financial statements	830,006
Depreciation expense in government-wide financial statements	(643,885)
<p>Governmental funds report proceeds from the issuance of long-term debt as other financing sources, but issuing debt increases long-term liabilities in the statement of net position. Repayments of long-term debt are expenditures in the governmental funds but the repayments reduce long-term liabilities in the statement of net position.</p>	
Principal payments on debt in governmental fund financial statements	563,075
<p>Interest on long-term debt in the governmental funds is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest costs are recognized as they accrue, regardless of when they are due. This is the amount by which the prior year accrual exceeds the current accrual.</p>	
	3,884
<p>Certain revenues which do not provide current financial resources are deferred in the governmental funds, but are recognized in the statement of activities.</p>	
Decrease in deferred MCFLS receivable	(6,922)
Decrease in deferred special assessments receivable	(8,800)
<p>Certain expenses do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are accrued in the government-wide statement of net position and reported as expenses in the statement of activities.</p>	
Increase in accrued compensated absences - sick pay	(2,675)
Increase in OPEB obligation	(330,673)
<b>Change in net position of governmental activities</b>	<b>\$ <u>129,925</u></b>

The accompanying notes to financial statements are an integral part of these statements.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget to Actual - General Fund  
Year Ended December 31, 2014**

	<u>Originally Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Taxes	\$ 4,372,480	\$ 4,372,480	\$ 4,371,371	\$ (1,109)
Public charges for services:				
Licenses	39,120	39,120	46,245	7,125
Permits	55,000	55,000	69,302	14,302
Fines and forfeitures	227,000	227,000	179,013	(47,987)
Other charges for services	1,579,556	1,579,556	1,587,873	8,317
Operating grants and contributions:				
Intergovernmental	735,352	735,352	739,845	4,493
Interest income	31,000	31,000	15,322	(15,678)
Interest on advances to other funds	---	---	2,147	2,147
Miscellaneous revenues	126,600	126,600	133,601	7,001
<b>Total revenues</b>	<u>7,166,108</u>	<u>7,166,108</u>	<u>7,144,719</u>	<u>(21,389)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,131,226	929,870	862,125	(67,745)
Public safety	3,117,463	3,122,463	3,069,548	(52,915)
Public works	1,606,506	1,616,506	1,599,800	(16,706)
Health and human services	144,427	144,427	140,058	(4,369)
Culture and recreation	674,575	681,575	670,757	(10,818)
<b>Total expenditures</b>	<u>6,674,197</u>	<u>6,494,841</u>	<u>6,342,288</u>	<u>(152,553)</u>
<b>Excess of revenues over expenditures</b>	491,911	671,267	802,431	131,164
<b>Other Financing Uses:</b>				
Transfers to other funds	(672,450)	(851,806)	(851,806)	---
<b>Net change in fund balance</b>	<u>(180,539)</u>	<u>(180,539)</u>	<u>(49,375)</u>	<u>131,164</u>
<b>Fund Balance:</b>				
Beginning of year	<u>1,578,648</u>	<u>1,578,648</u>	<u>1,578,648</u>	<u>---</u>
<b>End of year</b>	<u>\$ 1,398,109</u>	<u>\$ 1,398,109</u>	<u>\$ 1,529,273</u>	<u>\$ 131,164</u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Statement of Net Position - Fiduciary (Agency) Fund  
December 31, 2014

	<u>Agency</u>
<b>Assets:</b>	
Investments	\$ 6,735,841
Taxes receivable	4,976,632
<b>Total assets and other debits</b>	<u>\$ 11,712,473</u>
<b>Liabilities:</b>	
Due to other taxing units	<u>\$ 11,712,473</u>

The accompanying notes to financial statements are an integral part of these statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

**1. Summary of Significant Accounting Policies**

The Village's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village are discussed below.

**A. Financial Reporting Entity**

The Village is a municipal corporation governed by a Board of Trustees. All significant operations of the Village over which it has oversight responsibility have been included in the accompanying financial statements. The decision to include a potential component unit in the Village's reporting entity is based on the criteria set forth in GASB Statement No. 14, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village. The Village has no component units meeting these criteria.

**B. Government-wide and Fund Financial Statements**

***Government-wide Financial Statements***

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

The statement of net position presents the government's assets, liabilities, deferred inflows of resources, and net position on a full accrual basis, which recognizes all long-term assets and long-term liabilities. The Village's net position is reported in three classifications: net investment in capital assets, which consists of the difference between capital assets net of accumulated depreciation less outstanding debt used to acquire those assets; restricted, which represents assets required by outside parties or legislation to be spent in a specific manner; and unrestricted, net position not included in the other two classifications.

The statement of activities presents the activities of the government on a full accrual basis. These activities are presented in a manner which demonstrates the degree to which the direct expenses of a given function are offset by program revenues of that function. Program revenues are presented in three classifications: charges for services, which include direct charges to customers benefiting from the services, goods or privileges provided; operating grants and contributions, which were received in activities related to that function but not required to be used for capital asset acquisition; and capital grants and contributions which were received in activities related to that function and required to be used in the acquisition of capital assets. Other revenues not attributable to individual functions and taxes are reported as general revenues.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The Village reports the following funds:

**Major Governmental Funds**

- General Fund – the General Fund is the primary operating fund of the Village and is always classified as a major fund. It is used to account for all financial transactions except those legally or administratively required to be accounted for in another fund.
- General Capital Projects Fund – the General Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

**Non-major Governmental Funds**

- Debt Service Fund – the Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term obligations principal, interest and related costs.
- Special Revenue Funds – are used to account for revenues requiring separate accounting because of legal, regulatory or administrative provisions, and consist of the following individual funds:

General Government  
Fire  
Police  
Public Works  
Health

Library  
July 4<sup>th</sup> Activities  
Senior Enrichment  
Friends of Park & Pool  
Recreation Programs

- Capital Projects Funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment, and consist of the following individual funds:

Equipment Replacement Fund  
Special Assessments

Tax Incremental Financing (TIF) District #2  
Tax Incremental Financing (TIF) District #3

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

*Fund Financial Statements (continued)*

*Fiduciary (Agency) Funds*

- Agency funds – are used to account for assets held by the Village in a purely custodial capacity. The Village's agency fund is used for recording assets collected for other taxing jurisdictions. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Since by definition these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the Village, these funds are not included in the preparation of the government-wide statements.

C. Measurement Focus and Basis of Accounting

*Measurement Focus*

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

*Basis of Accounting*

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

In the government-wide statement of net position and statement of activities, governmental activities are presented using 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, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

*Basis of Accounting (continued)*

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for certain items related to long-term liabilities. Such items include accumulated unpaid sick pay, and principal and interest on general long-term debt which are reported when due.

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets or Equity

*Cash and Investments*

For the purpose of the statement of net position "cash and equivalents" include all demand, savings and money market accounts. Investments include certificates of deposit and investments in the Local Government Investment Pool, and are carried at cost which approximates fair value.

*Receivables*

In the government-wide statements, receivables consist of all revenues earned or to which the Village is otherwise entitled and has not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and ambulance fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as intergovernmental grants and aids and other similar revenues since they are usually both measurable and available. Receivables collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are provided. In addition to property taxes for the municipality, taxes are collected for and remitted to the state and county governments, the Milwaukee Metropolitan Sewerage District, and the local and vocational school districts. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as receivables and as due to other taxing units on the statement of net assets – fiduciary (agency) fund. Taxes are levied in December on the assessed value as of the prior January 1.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets or Equity (continued)

*Receivables (continued)*

**Property Tax Calendar – 2014 Tax Roll:**

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment of 50% due	January 31, 2015
Second installment of 25% due	April 30, 2015
Third installment of 25% due	July 31, 2015
Special charges and personal property taxes in full	January 31, 2015
Tax sale of 2011 delinquent real estate taxes	October 2015

***Interfund Receivables and Payables***

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds” on the fund financial statements and eliminated on the government-wide financial statements. Long-term interfund loans are reported as “advances from and to other funds” on the fund financial statements and eliminated on the government-wide financial statements.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items.

***Capital Assets***

The accounting treatment related to capital assets depends on whether they are reported in the government-wide or fund financial statements.

***Government-wide Statements***

Capital assets are defined by the Village as assets with an original cost of more than \$5,000 for general capital assets and more than \$25,000 for infrastructure assets and having an estimated useful life of four or more years. All capital assets are valued at historical cost or estimated historical cost if actual costs are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 1, 2004, infrastructure assets of the Village’s governmental funds were not required to be capitalized. Upon the implementation of GASB 34, the Village is required to account for all capital assets, including infrastructure in the government-wide financial statements prospectively from the date of implementation. Retroactive reporting of all major infrastructure assets is encouraged but not required. All infrastructure assets acquired on or after January 1, 2004, meeting the Village’s definition, have been incorporated into the government-wide financial statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets or Equity (continued)

*Capital Assets (continued)*

*Government-wide Statements (continued)*

Depreciation of all exhaustible fixed 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	50 years
Land Improvements	35 years
Equipment and furnishings	4-20 years
Infrastructure	30-65 years

*Fund Financial Statements*

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

*Compensated Absences*

The accounting treatment for compensated absences depends on whether they are reported in the government-wide or fund financial statements. The compensated absences consist of accumulated sick and vacation pay earned but unused by Village employees. Under terms of employment, municipal employees are granted vacations and sick leave in varying amounts.

*Accumulated Vacation Pay*

Accrued vacations are considered to be liquidated with expendable available financial resources and are reported as a liability in both the government-wide financial statements and the fund financial statements.

*Accumulated Sick Pay*

To the extent that sick leave vests, such amounts are considered to be a long-term liability, and are recorded as long-term debt in the government-wide financial statements up to the maximum amount to be paid out upon termination.

Due to the long-term nature of this liability, the governmental funds do not report this liability in the fund financial statements.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets or Equity (continued)

*Long-term Obligations*

The reporting of long-term obligations depends on whether the assets are reported in the government-wide or fund financial statements. The long-term debt consists of general obligation notes and bonds.

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. Premiums and discounts on issuance are deferred and amortized over the life of the debt.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of the debt and premiums on issuance are reported as other financing sources. Premiums and discounts on issuance are reported as other financing sources and uses. Payments of principle and interest as well as costs of issuance are reported as expenditures.

*Equity Classifications*

*Government-wide Statements*

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net assets with constraints placed on the 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 – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

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

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources, and Net Assets or Equity (continued)

*Equity Classifications (continued)*

**Fund Statements**

Governmental fund equity is classified as fund balance. GASB establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made is identifying amounts that are considered nonspendable. Fund balance is further classified as restricted, committed, assigned and unassigned. The Village's fund balance classification policies and procedures are as follows:

- a. Nonspendable – Amounts that cannot be spent because they are either not in spendable form (i.e. convertible into cash) or legally required to be maintained intact.
- b. Restricted – Either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinances and resolutions) of the Village's Board of Trustees.
- d. Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- e. Unassigned – The residual classification for the General Fund (fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund), and deficit fund balances within other funds.

Currently, the Village does not have an official policy regarding the fund balance classifications. Amounts noted as committed relate to constraints approved by the Board of Trustees. Amounts noted as assigned relate to constraints approved by the Village Administrator.

**E. Deferred Inflows of Resources**

Under the Government Accounting Standards Board (GASB), in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The Village has three items that qualify for reporting in this category. Taxes levied in one year are not available until the next year and, as a result, are reflected in the financial statements as a deferred inflow of resources. These taxes are deferred in the year levied and recognized as revenue in the following year. Contributions received in one year for funding expenditures in the next year are reflected in the financial statements as a deferred inflow of resources. These contributions are deferred in the year received and recognized as revenue in the following year. Additionally, resources that are earned, but unavailable, are presented as deferred inflows of resources in the Balance Sheet – Governmental Funds.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Prior to the end of August, the Village Administrator requests proposed details of expenditures from the various departments for the following fiscal year. Proposed department expenditures are submitted to the Village Administrator who determines the details of required revenues and in turn submits the proposed revenues and expenditures to the Village Board. The Village Administrator then drafts the proposed operating budget.

Upon receipt of the proposed budget, public notice is given that the proposed budget is open for inspection.

The budget for the next year is legally enacted by Village Board resolution near year end.

Budgetary control is exercised at the departmental level; however, any revisions that alter the total expenditures of a grouping of accounts must be approved by the Village Board. Undesignated appropriations lapse at year end.

The operating budgets for the General and the Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP") in all material respects, and annual appropriations for these funds lapse at year end. Budgets for Capital Project Funds are adopted solely to provide the basis for capital borrowing. The Capital Project Funds budgets do not lapse at year end, and expenditures may extend over several years. The Village does not adopt budgets for special revenue funds.

Budgeted amounts included in the financial statements are presented both as originally adopted by the Village Board, and as amended by Village Board resolution.

**B. Deposits and Investment Laws and Regulations**

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

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this state if the time deposits mature in not more than 3 years.
2. Bonds or securities of any county, city, drainage district, technical college districts, village, town, local exposition district or school district of the state.
3. Bonds or securities issued or guaranteed by the federal government.
4. The State of Wisconsin Local Government Investment Pool (LGIP).
5. Repurchase agreements collateralized securities referred to in 3 above.
6. Open-ended no load registered mutual funds that invest in securities referred to in 3 and 5 above.
7. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category of a nationally recognized rating agency.
8. Bonds issued by a local exposition district.
9. Bonds issued by a local professional baseball park district.
10. Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.

Additional restrictions may arise from local charters, ordinances, resolutions and grant regulations.

**C. Debt Restrictions**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of total equalized value of taxable property within the Village's jurisdiction. As of December 31, 2014, the Village was obligated for a total of \$6,211,444 in general obligation debt, or 20% of the total debt limit.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts**

**A. Cash and Investments**

As of December 31, 2014, the Village held the following cash and investments which have certain associated risks.

	<u>Custodial Balance</u>	<u>Carrying Amount</u>	<u>Risks</u>
<b>Cash and Equivalents:</b>			
Demand deposits	\$ 1,275,447	\$ 1,184,561	Custodial
Petty cash	---	700	
Certificates of deposit	37,909	37,909	Interest rate
Investment – State of Wisconsin			
Local Government Investment Pool	<u>12,622,596</u>	<u>12,622,596</u>	Custodial
<b>Total cash and investments</b>	<b>\$ <u>13,935,952</u></b>	<b>\$ <u>13,845,766</u></b>	

**Reconciliation to Financial Statements:**

**Per Statement of Net Assets:**

Cash and equivalents	\$ 1,185,261
Investments	5,924,664

**Per Statement of Net Assets – Fiduciary (Agency) Fund**

Investments	<u>6,735,841</u>
<b>Total cash and investments</b>	<b>\$ <u>13,845,766</u></b>

The Village had no significant type of investment during the year not included in the above schedule. For all investments shown, the fair value at the balance sheet date is substantially the same as the carrying value.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits in the Wisconsin Local Government Investment Pool ("LGIP") are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. 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 governmental entities.

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.

The LGIP does not have a credit quality rating. It is part of the State of Wisconsin Investment Fund ("SIF") and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the Village's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**A. Cash and Investments (continued)**

**Custodial Risk:** Is the risk that, in the event of a financial institution failure, the Village's deposits may not be returned to the Village. The Village's carrying value for cash and investments \$13,845,766 at December 31, 2014 and the depositories' carrying value was \$13,935,952 of which \$12,321,666 was uninsured. The Village's policy is to keep deposits of no more than \$500,000 at each depository at any one time except Associated Bank, Tri City Bank, and the Local Government Investment Pool.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Village's investment policy minimized credit risk by limiting investments to the safest type of securities. The Village does not have a policy on credit risk.

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy limits the maturity of any security to no more than three years from the date of purchase or in accordance with state statutes. The Village's policy addressing interest rate risk limits investments to the LGIP, certificates of deposit, money market accounts, other time deposits or securities specifically approved by the Village Board. Information regarding the exposure of the District's investments to this risk, using the segmented time distribution model is as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
Certificates of Deposit	\$ 37,909	\$ ---	\$ 37,909	\$ ---

**B. Receivables**

The following schedules provide detail on allowances for doubtful accounts and receivables not expected to be collected within one year:

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>	<u>Due After December 2015</u>
<b>Governmental Activities:</b>				
Taxes	\$ 2,631,250	\$ 2,000	\$ 2,629,250	\$ ---
Special assessments	38,516	---	38,516	22,772
Accounts	272,283	34,000	238,283	---
<b>Total governmental activities</b>	<u>\$ 2,942,049</u>	<u>\$ 36,000</u>	<u>\$ 2,906,049</u>	<u>\$ 22,772</u>
<b>Fiduciary (Agency) Funds:</b>				
Taxes	\$ 4,976,632	\$ ---	\$ 4,976,632	\$ ---

The allowance for taxes is for delinquent personal property taxes receivable. Allowances related to accounts receivable are for ambulance billings of \$29,000, and other Fire Department responses of \$5,000.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**C. Interfund Balances and Transfers**

*Due to (from) other funds*

Balances due to and from other funds include interfund accounts receivable or payable for goods or services received or provided. Interfund balances are the result of timing differences and are settled on a monthly basis.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Capital Projects Fund	\$ 19,305
General Fund	Other governmental funds	15,050
Other governmental funds	Other governmental funds	2,494
		<u>\$ 36,849</u>

**Transfers**

Transfers between governmental funds are summarized as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Capital Projects Fund	General Fund	\$ 700,606
Other governmental funds	Other governmental funds	34,933
Other governmental funds	General Fund	151,200
		<u>\$ 886,739</u>

Transfers from the General Fund to the General Capital Projects Fund were to provide funding for the salting and resurfacing of Village roadways, improvements to the Village's sewer infrastructure, and for potential future capital projects.

Transfers between other governmental funds were to provide funding for the debt service obligations of those funds and to provide funding for the future replacement of public works equipment.

Transfers from the General Fund to other governmental funds were to provide funding for the replacement of equipment and to subsidize special revenue funds for which planned expenditures exceed revenue sources.

**Advances**

Advances between funds represent interfund long-term loans.

In 2013, the General Fund advanced funds to TID #3. The General Fund is charging TID #3 on the advance based on the average outstanding advance balance during the year at a rate of 1%.

Aggregate maturities of all advances relating to TIF District #3 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 42,515	\$ 1,726	\$ 44,241
2016	42,940	1,301	44,241
2017	43,370	872	44,242
2018	43,804	438	44,242
<b>Total</b>	<u>\$ 172,629</u>	<u>\$ 4,337</u>	<u>\$ 176,966</u>

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**D. Capital Assets**

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

	<b>Balance January 1, 2014</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposal</b>	<b>Balance December 31, 2014</b>
<b>Nondepreciable capital assets:</b>					
Land	\$ 6,029,397	\$ ---	\$ ---	\$ ---	\$ 6,029,397
Construction-in-progress	85,708	313,702	---	---	399,410
<b>Total nondepreciable capital assets</b>	<b>6,115,105</b>	<b>313,702</b>	<b>---</b>	<b>---</b>	<b>6,428,807</b>
<b>Depreciable capital assets:</b>					
Land improvements	164,502	---	---	---	164,502
Buildings	6,634,411	46,627	---	---	6,681,038
Equipment and furnishings	2,880,787	113,858	---	(26,989)	2,967,656
Infrastructure	8,912,651	355,819	---	---	9,268,470
<b>Total depreciable capital assets</b>	<b>18,592,351</b>	<b>516,304</b>	<b>---</b>	<b>(26,989)</b>	<b>19,081,666</b>
<b>Less accumulated depreciation:</b>					
Land improvements	70,634	4,271	---	---	74,905
Buildings	1,795,463	133,438	---	---	1,928,901
Equipment and furnishings	2,035,481	242,328	---	(26,989)	2,250,820
Infrastructure	1,322,177	263,848	---	---	1,586,025
<b>Total accumulated Depreciation</b>	<b>5,223,755</b>	<b>643,885</b>	<b>---</b>	<b>(26,989)</b>	<b>5,840,651</b>
<b>Net depreciable capital assets</b>	<b>13,368,596</b>	<b>(127,581)</b>	<b>---</b>	<b>---</b>	<b>13,241,015</b>
<b>Net total capital assets</b>	<b>\$ 19,483,701</b>	<b>\$ 186,121</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 19,669,822</b>
<b>Depreciation was charged to governmental functions as follows:</b>					
General government					\$ 40,149
Public safety					267,841
Public works					307,792
Health and human services					4,236
Culture, recreation and education					23,867
<b>Total depreciation</b>					<b>\$ 643,885</b>

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**E. Long-term Obligations**

***General Obligation Debt***

All general obligation debt is backed by the full faith and credit of the Village, and will be retired through future property tax levies accumulated by the debt service fund and TIF District #3. General fund resources are used to liquidate the liability for accumulated sick pay.

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

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General obligation debt	\$ 6,774,519	\$ ---	\$ (563,075)	\$ 6,211,444	\$ 594,827
Accumulated unpaid sick pay	227,578	73,578	(70,903)	230,253	---
<b>Total long-term obligations</b>	<b>\$ 7,002,097</b>	<b>\$ 73,578</b>	<b>\$ (633,978)</b>	<b>\$ 6,441,697</b>	<b>\$ 594,827</b>

Details of general obligation debt are presented below:

	<u>Date of</u> <u>Issue</u>	<u>Maturity</u> <u>Date</u>	<u>Average</u> <u>Rate</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>12/31/14</u>
Bonds:	06/07/12	04/01/31	2.16%	\$ 5,780,000	\$ 5,065,000
Notes:	01/26/04	03/15/22	5.25%	343,117	247,617
	10/11/05	03/15/15	4.00%	67,153	8,827
	09/01/09	09/01/19	2.93%	1,265,000	890,000
<b>Total general obligation debt</b>					<b>\$ 6,211,444</b>

Debt service requirements to maturity for general obligation debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 594,827	\$ 133,168	\$ 727,995
2016	589,000	124,732	713,732
2017	480,000	116,180	596,180
2018	493,000	106,694	599,694
2019	522,000	95,512	617,512
2020 - 2024	1,632,617	337,822	1,970,439
2025 - 2029	1,700,000	142,400	1,842,400
2030 - 2033	200,000	6,000	206,000
<b>Totals</b>	<b>\$ 6,211,444</b>	<b>\$ 1,062,508</b>	<b>\$ 7,273,952</b>

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**F. Net Position and Fund Balances**

***Government-wide Financial Statement Net Position***

Governmental net position consists of the following:

**Net Investment in Capital Assets:**

Land and construction in progress	\$	6,428,807	
Other capital assets net of accumulated depreciation		13,241,015	
Less related long-term debt		(6,207,298)	
<b>Total net investment in capital assets</b>		<u>13,462,524</u>	\$ 13,462,524

**Restricted for:**

Debt Service			90,350
Capital Projects			385,729

**Other:**

Fire programs		7,159	
Police programs		15,462	
Health programs		475	
Library programs		15,841	
Senior Enrichment program		103	
Recreation programs		19	
Friends of Park & Pool		308	
<b>Total restricted for other</b>		<u>39,367</u>	39,367

Unrestricted			361,553
<b>Total governmental net position</b>			<u>\$ 14,339,523</u>

***Fund Financial Statements***

Governmental fund balances consist of the following:

**General Fund:**

**Nonspendable:**

Prepaid items	\$	73,335	
Advance to TIF #3		172,629	
Delinquent personal property taxes receivable		2,637	
<b>Total nonspendable</b>		<u>248,601</u>	\$ 248,601

Committed for employee health expenses			124,237
--	--	--	---------

Unassigned			1,156,435
<b>Total General Fund</b>			<u>\$ 1,529,273</u>

**General Capital Projects Fund:**

Committed			576,404
			<u>\$ 576,404</u>

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**3. Detail Notes on Transaction Classes and Accounts (continued)**

**F. Net Position and Fund Balances (continued)**

***Fund Financial Statements (continued)***

**Non-major Funds:**

**Restricted:**

TIF District #2	\$	385,729	
Fire programs		7,159	
Police programs		15,462	
Health programs		475	
Library programs		15,841	
Fiends of park & pool		308	
Recreation programs		19	
Senior Enrichment program		103	
Debt Service		90,350	
<b>Total restricted</b>			\$ 515,446

**Committed:**

Special Assessments		198,113	
Equipment replacement		287,687	
General programs		9,417	
Public works		106,193	
Library activities		14,047	
July 4 <sup>th</sup> activities		32,205	
<b>Total committed</b>			647,662

Unassigned			(151,994)
<b>Total non-major funds</b>			\$ 1,011,114

At December 31, 2014, the following funds had deficit fund balances:

<u>Fund</u>	<u>Amount</u>
<b>Capital Projects Funds:</b>	
TIF District #3	\$ 141,706
<b>Equipment Replacement Funds:</b>	
Police	6,971
Library	239

The TIF District #3 fund deficit is anticipated to be funded with future incremental taxes levied over the life of the district.

The deficits in the Equipment Replacement Funds will be financed with transfers from other General Capital Projects and Equipment Replacement Funds as well as the General Fund. These deficits may also be financed with intergovernmental grants, or proceeds of future debt issuances.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

4. Other Notes

A. Employees' Retirement System

All eligible Village employees participate in the Wisconsin Retirement System ("WRS"), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011 and expected to work at least 1,200 hours per year and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months a year, but expected to return year after year are considered to have met the one year requirement.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, including Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 were:

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

The payroll for the Village employees covered by the WRS for the year ended December 31, 2014 was \$2,689,180; the employer's total payroll was \$3,220,485. The total required contribution for the year ended December 31, 2014 was \$424,073, which consisted of \$235,830, or 8.8% of payroll from the employer and \$188,243, or 7.0% of payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$386,841 and \$347,323, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**4. Other Notes (continued)**

**B. Other Postemployment Benefits (OPEB)**

**Plan Description**

The Village allows eligible employees to remain on the Village's health insurance plan after retirement. Eligibility is determined based on the specified contract under which the employee is covered. The Village contributes the costs of premiums for single coverage for eligible retirees. For those retirees that select family coverage, the Village contributes up to 50% of the premium as of the retirement date and 75% of any annual increases in subsequent years. As a requirement of continued coverage, the retirees are required to contribute any remaining costs for family coverage. Under GASB 45, this circumstance is considered to be an other postemployment benefit ("OPEB") for the retirees.

The Village Board of Trustees authorizes the provisions of, and amendments to, this policy.

**Funding Policy**

The Village funds these costs on a pay-as-you-go basis. Currently, the only Village contribution toward the costs of this obligation is the current period's subsidy of the full amount for single coverage or the difference between the family coverage and the calculated retiree contribution.

**Annual OPEB Cost and Recognized Obligation**

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual required contribution	\$	314,185	
Interest on net OPEB obligation		52,063	
<b>Annual OPEB cost (expense)</b>		366,248	
Contributions made		(35,575)	
<b>Increase in net OPEB obligation</b>		330,673	
Net OPEB obligation – beginning of year		1,735,442	
<b>Net OPEB obligation – end of year</b>	\$	2,066,115	

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2012	\$ 348,086	16%	\$ 1,422,088
December 31, 2013	356,848	12%	1,735,422
December 31, 2014	366,248	10%	2,066,115

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Notes to Financial Statements  
December 31, 2014

4. Other Notes (continued)

B. Other Postemployment Benefits (OPEB) (continued)

**Funding Status and Funding Progress**

As of December 31, 2012, the most recent actuarial valuation date, the Village's OPEB obligation was completely unfunded, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,655,063. The covered payroll was \$2,570,488 and the ratio of the UAAL to covered payroll was 142.2%.

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the alternative measurement method was used. The actuarial assumptions include a 3% investment rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 4.7% after ten years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage over thirty years. The remaining amortization period at December 31, 2012 was thirty years.

**C. Commitments and Contingencies**

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 disallowance, if any, would be immaterial to the financial statements.

**D. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**4. Other Notes (continued)**

**E. Conduit Debt**

Not included in the accompanying financial statements is a conduit debt obligation issued under the name of the Village and the Development Authority. The Bonds are not secured by or payable from revenues or assets of the Village or Development Authority. Neither the faith and credit nor the taxing power of the Village, the Village of Hales Corners Development Authority, the State of Wisconsin or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds nor is the Village or the Authority in any manner obligated to make any appropriations for payments on these bonds. At December 31, 2014, the aggregate principal amount of the conduit debt obligation outstanding totaled \$4,400,000.

**F. Leases as Lessor**

The Village has entered into lease agreements with telecommunications companies, wherein the Village has agreed to allow the use of the specified property for the purpose of telecommunication relays. Revenue from this activity totaled \$92,278 for the year ended December 31, 2014.

**G. Tax Incremental Districts**

**Tax Incremental Financing District #2**

On September 11, 1995, the Village created Tax Incremental Financing District #2 ("TID #2"). TID #2 has a statutory life of 27 years which will expire September 11, 2022. On July 29, 2008 the original project plan was amended to account for transfers out to Tax Incremental Financing District #3. The last date to incur project costs is September 11, 2017. On May 9, 2011, the Board of Trustees of the Village passed a resolution to dissolve Tax Incremental District No. 2. As of December 31, 2011, the District had sufficient increment to cover expenses related to any current and future projects. Once all projects costs have been paid, any remaining excess increment will be disbursed accordingly to the Village and the overlying taxing districts. The Village expects this to occur in 2015. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2014:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/14</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/14</u>	<u>Outstanding Debt as of 12/31/14</u>
\$ 11,407,894	\$ 7,830,964	\$ 11,407,894	\$ 7,445,235	---

**Tax Incremental Financing District #3**

On January 1, 2008, the Village created Tax Incremental Financing District #3 ("TID #3"). TID #3 has a statutory life of 27 years which will expire December 31, 2034. On July 29, 2008 the original project plan was amended to account for transfers in from Tax Incremental Financing District #2. The last date to incur project costs is December 31, 2029. The following is a summary of accumulated project activity, project plan estimates and outstanding debt as of December 31, 2014:

<u>Project Plan Estimated Revenues</u>	<u>Cumulative Revenues to 12/31/14</u>	<u>Project Plan Estimated Expenditures</u>	<u>Cumulative Expenditures to 12/31/14</u>	<u>Outstanding Advance as of 12/31/14</u>
\$ 946,288	\$ 598,660	\$ 946,288	\$ 740,366	\$ 172,629

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Notes to Financial Statements**  
December 31, 2014

**H. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, May 21, 2015. There were no subsequent events that required recognition or disclosure.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Required Supplementary Information

Schedules of Funding Progress and Employer Contributions  
December 31, 2014

Schedule of Funding Progress of Net OPEB Obligation

Actuarial Valuation Date	Actuarial Valuation of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2012	\$ ---	\$ 3,655,063	\$ 3,655,063	---	\$ 2,570,488	142.2%
December 31, 2008	---	3,749,856	3,749,856	---	2,809,403	133.5%

Notes:

1. The Village is required to present the above information for the three most recent actuarial studies. The above referenced studies were performed as of December 31, 2012 and 2008 and were the only studies performed. Once there have been three actuarial studies completed, information pertaining to the three most recent actuarial studies will be presented.
2. The data presented in this schedule was taken from the report issued by the actuary, except the covered payroll data which was supplied by the Village.
3. Although, the Village wasn't required to implement GASB 45 until 2009, the Village had an actuarial study done as of December 31, 2008. Therefore, no data exists regarding funding progress for the year ended December 31, 2008. Accordingly, the Schedule of Funding Progress and Employer Contributions below reflects data for the year ended December 31, 2009.

Schedule of Funding Progress and Employer Contributions

Year Ended December 31,	Annual Required Contribution	Actual Contribution	Percent Contributed
2009	\$ 408,460	\$ 41,799	10.2%
2012	\$ 314,185	\$ 55,996	17.8%

See independent auditors' report.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Detailed Statement of Revenues - General Fund - Budget and Actual**  
**Year Ended December 31, 2014**

	<u>Original Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b>Taxes:</b>			
General property taxes	\$ 4,372,480	\$ 4,372,480	\$ 4,371,371
<b>Public Charges for Services:</b>			
<b>Licenses:</b>			
Liquor and malt beverage	11,200	11,200	12,090
Operators'	4,000	4,000	6,655
Cigarette	1,300	1,300	1,600
Dog	4,000	4,000	3,838
Amusement device and peddler	3,300	3,300	3,777
Dance hall	60	60	90
Food establishment	14,000	14,000	16,865
Swimming pool	1,260	1,260	1,330
<b>Total licenses</b>	<u>39,120</u>	<u>39,120</u>	<u>46,245</u>
<b>Permits:</b>			
Building	26,000	26,000	39,246
Electric	11,000	11,000	12,616
Plumbing	6,500	6,500	8,091
Sign	1,500	1,500	1,628
Culvert	6,000	6,000	4,710
Street Opening	2,000	2,000	---
Erosion	500	500	---
Fire Department	1,500	1,500	3,011
<b>Total permits</b>	<u>55,000</u>	<u>55,000</u>	<u>69,302</u>
<b>Fines and Forfeitures</b>	227,000	227,000	179,013

**VILLAGE OF HALES CORNERS**  
Milwaukee County, Wisconsin

**Detailed Statement of Revenues - General Fund - Budget and Actual**  
**Year Ended December 31, 2014**  
(Continued)

	<u>Original Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b>Public Charges for Services (Continued):</b>			
<b>Other Charges for Services:</b>			
Property search requests	\$ 500	\$ 500	\$ 945
Village hall copy fees	2,400	2,400	1,269
Lease revenue	84,000	84,000	92,278
Board of Appeals	500	500	150
Planning Commission fees	3,000	3,000	800
License publication fees	200	200	208
DARE program	2,616	2,616	2,221
Fire department fees	18,000	18,000	16,386
Fire department highway response fees	20,000	20,000	17,700
Weights and measures	2,400	2,400	2,622
Ambulance fees	199,000	199,000	216,591
Refuse collection charges	449,025	449,025	448,456
Local sewer service charges	354,661	354,661	354,255
Metro sewer connection charge	264,304	264,304	264,795
Weed cutting	---	---	800
Health department fees	1,000	1,000	2,030
Library fines	16,750	16,750	14,907
Library copy fees	1,900	1,900	1,490
MCFLS reciprocal library	70,000	70,000	70,000
Recreation department fees	89,300	89,300	79,970
<b>Total other charges for services</b>	<u>1,579,556</u>	<u>1,579,556</u>	<u>1,587,873</u>
<b>Operating Grants and Contributions:</b>			
<b>Intergovernmental:</b>			
Shared taxes from state	251,578	251,578	248,344
State aid - Highways	433,524	433,524	433,430
State aid - Fire insurance	22,750	22,750	25,948
State aid - Police	7,500	7,500	7,810
State aid - Public safety	---	---	4,300
Recycling grant	20,000	20,000	20,013
<b>Total intergovernmental</b>	<u>735,352</u>	<u>735,352</u>	<u>739,845</u>

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Detailed Statement of Revenues - General Fund - Budget and Actual  
Year Ended December 31, 2014  
(Continued)

	<u>Original Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b>Interest Income:</b>			
Interest on general fund investments	\$ 14,000	\$ 14,000	\$ 2,706
Interest on tax account investments	6,000	6,000	2,020
Interest on advances to other funds	---	---	2,147
Interest on delinquent taxes	10,000	10,000	9,287
Sewer charge penalties	1,000	1,000	1,309
<b>Total interest income</b>	<u>31,000</u>	<u>31,000</u>	<u>17,469</u>
<b>Other Revenues:</b>			
Miscellaneous general revenue	5,000	5,000	1,199
Cable television franchise fee	90,000	90,000	78,553
Telephone franchise fee	22,000	22,000	36,702
Street light insurance reimbursement	9,600	9,600	---
League insurance rebate	---	---	17,147
<b>Total other revenues</b>	<u>126,600</u>	<u>126,600</u>	<u>133,601</u>
<b>Total general fund revenues</b>	<u>\$ 7,166,108</u>	<u>\$ 7,166,108</u>	<u>\$ 7,144,719</u>

See independent auditors' report.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Detailed Statement of Expenditures - General Fund - Budget and Actual**  
**Year Ended December 31, 2014**

	<u>Original Adopted Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b>General Government:</b>			
Legislative	\$ 109,441	\$ 109,441	\$ 81,995
Municipal court	97,066	97,066	86,499
Administration	475,659	429,303	399,841
Maintenance and sundry	291,060	294,060	293,790
Contingency	158,000	---	---
<b>Total general government</b>	<u>1,131,226</u>	<u>929,870</u>	<u>862,125</u>
<b>Public Safety:</b>			
Police department	1,821,064	1,827,064	1,813,025
Communications	313,193	315,193	312,935
Fire department	931,388	928,388	896,717
Inspection - General	51,818	51,818	46,871
<b>Total public safety</b>	<u>3,117,463</u>	<u>3,122,463</u>	<u>3,069,548</u>
<b>Public Works:</b>			
Engineering, sanitation, administration	1,020,583	1,020,583	1,008,257
Maintenance	585,923	595,923	591,543
<b>Total public works</b>	<u>1,606,506</u>	<u>1,616,506</u>	<u>1,599,800</u>
<b>Health and Human Services</b>			
Health	144,427	144,427	140,058
<b>Recreation and Education:</b>			
Library	578,921	585,921	582,498
Recreation	95,654	95,654	88,259
<b>Total recreation and education</b>	<u>674,575</u>	<u>681,575</u>	<u>670,757</u>
<b>Total general fund expenditures</b>	<u>\$ 6,674,197</u>	<u>\$ 6,494,841</u>	<u>\$ 6,342,288</u>

See independent auditors' report.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Balance Sheet - Non-major Governmental Funds  
December 31, 2014

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-major</u>
<b>Assets:</b>				
Cash and equivalents	\$ ---	\$ 4,303	\$ ---	\$ 4,303
Investments	877,004	273,871	90,350	1,241,225
<b>Receivables:</b>				
Taxes	98,653	---	697,000	795,653
Special assessments	38,516	---	---	38,516
Accounts	---	293	---	293
Due from other funds	2,494	---	---	2,494
<b>Total assets</b>	<u>1,016,667</u>	<u>278,467</u>	<u>787,350</u>	<u>2,082,484</u>
<b>Liabilities:</b>				
Unearned revenue	---	12,772	---	12,772
Due to other funds	---	17,544	---	17,544
Advances from other funds	172,629	---	---	172,629
<b>Total liabilities</b>	<u>172,629</u>	<u>30,316</u>	<u>---</u>	<u>202,945</u>
<b>Deferred inflows of resources:</b>				
Unavailable special assessments	22,772	---	---	22,772
Deferred contributions	---	50,000	---	50,000
Deferred property taxes	98,653	---	697,000	795,653
<b>Total deferred inflows of resources</b>	<u>121,425</u>	<u>50,000</u>	<u>697,000</u>	<u>868,425</u>
<b>Fund Balance:</b>				
Restricted	385,729	39,367	90,350	515,446
Committed	485,800	161,862	---	647,662
Unassigned	(148,916)	(3,078)	---	(151,994)
<b>Total fund balance</b>	<u>\$ 722,613</u>	<u>\$ 198,151</u>	<u>\$ 90,350</u>	<u>\$ 1,011,114</u>

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**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Governmental Funds  
Year Ended December 31, 2014**

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-major</u>
<b>Revenues:</b>				
Taxes	\$ 46,688	\$ ---	\$ 673,500	\$ 720,188
<b>Public charges for services:</b>				
Other charges for services	15,845	107,934	---	123,779
<b>Operating grants and contributions:</b>				
Intergovernmental	1,652	41,636	---	43,288
Other	1,450	67,308	---	68,758
Interest Income	2,601	264	82	2,947
Miscellaneous revenues	450	1,600	---	2,050
<b>Total revenues</b>	<b>68,686</b>	<b>218,742</b>	<b>673,582</b>	<b>961,010</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,866	407	---	2,273
Public safety	20,432	25,563	---	45,995
Public works	9,770	43,417	---	53,187
Health and human services	---	34,219	---	34,219
Culture, recreation and education	7,491	59,979	---	67,470
Conservation and development	150	---	---	150
Interest on advances	2,147	---	---	2,147
Capital outlay	106,902	---	---	106,902
<b>Debt Service:</b>				
Principal payments	---	---	563,075	563,075
Interest payments	---	---	141,691	141,691
<b>Total expenditures</b>	<b>148,758</b>	<b>163,585</b>	<b>704,766</b>	<b>1,017,109</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(80,072)</b>	<b>55,157</b>	<b>(31,184)</b>	<b>(56,099)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	4,000	---	---	4,000
Transfers from other funds	142,200	13,000	30,933	186,133
Transfers to other funds	---	(34,933)	---	(34,933)
<b>Net change in fund balance</b>	<b>66,128</b>	<b>33,224</b>	<b>(251)</b>	<b>99,101</b>
<b>Fund Balance:</b>				
Beginning of year	656,485	164,927	90,601	912,013
<b>End of year</b>	<b>\$ 722,613</b>	<b>\$ 198,151</b>	<b>\$ 90,350</b>	<b>\$ 1,011,114</b>

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VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Balance Sheet - Capital Projects Funds  
December 31, 2014

	Major Fund					Non-Major Funds			Total Capital Project Funds
	General Capital Projects	Special Assessments	Equipment Replacement Fund	TIF District #2	TIF District #3	Total Non-major Funds			
<b>Assets:</b>									
Investments	\$ 602,679	\$ 180,943	\$ 279,409	\$ 385,729	\$ 30,923	\$ 877,004	\$ 1,479,683		
Taxes receivable	---	---	---	---	98,653	98,653	98,653		
Special assessments receivable	---	38,516	---	---	---	38,516	38,516		
Due from other funds	---	1,426	1,068	---	---	2,494	2,494		
<b>Total assets</b>	<b>602,679</b>	<b>220,885</b>	<b>280,477</b>	<b>385,729</b>	<b>129,576</b>	<b>1,016,667</b>	<b>1,619,346</b>		
<b>Liabilities:</b>									
Accounts payable	6,970	---	---	---	---	---	6,970		
Due to other funds	19,305	---	---	---	---	---	19,305		
Advances from other funds	---	---	---	---	172,629	172,629	172,629		
<b>Total liabilities</b>	<b>26,275</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>172,629</b>	<b>172,629</b>	<b>198,904</b>		
<b>Deferred inflows of resources:</b>									
Unavailable special assessments	---	22,772	---	---	---	22,772	22,772		
Deferred property taxes	---	---	---	---	98,653	98,653	98,653		
<b>Total deferred inflows</b>	<b>---</b>	<b>22,772</b>	<b>---</b>	<b>---</b>	<b>98,653</b>	<b>121,425</b>	<b>121,425</b>		
<b>Fund Balance:</b>									
Restricted	---	---	---	385,729	---	385,729	385,729		
Committed	576,404	198,113	287,687	---	---	485,800	1,062,204		
Unassigned	---	---	(7,210)	---	(141,706)	(148,916)	(148,916)		
<b>Total fund balance</b>	<b>\$ 576,404</b>	<b>\$ 198,113</b>	<b>\$ 280,477</b>	<b>\$ 385,729</b>	<b>\$ (141,706)</b>	<b>\$ 722,613</b>	<b>\$ 1,299,017</b>		

See independent auditors' report.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds  
Year Ended December 31, 2014

	Major Fund					Non-Major Funds			Total Capital Project Funds
	General Capital Projects	Special Assessments	Equipment Replacement Fund	TIF District #2	TIF District #3	Total Non-major Funds			
<b>Revenues:</b>									
Taxes	\$ 7,110	\$ 15,845	\$ ---	\$ ---	\$ 46,688	\$ 46,688	\$ 15,845	\$ 22,955	\$ 46,688
Public charges for services									
<b>Operating grants and contributions:</b>									
Intergovernmental			1,067		585	1,652			1,652
Other			1,450			1,450			1,450
<b>Capital grants and contributions:</b>									
Intergovernmental	34,113								34,113
Interest income	1,058	1,946	291	331	33	2,601			3,659
Other revenues	24,864		450			450			25,314
<b>Total revenues</b>	<b>67,145</b>	<b>17,791</b>	<b>3,258</b>	<b>331</b>	<b>47,306</b>	<b>68,686</b>			<b>135,831</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	1,135		1,866			1,866			3,001
Public safety	3,967		20,432			20,432			24,399
Public works	329,924	7,039	2,731			9,770			339,694
Culture, recreation and education	18,672		7,491			7,491			26,163
Conservation and development	14,760				150	150			14,910
Interest on advances					2,147	2,147			2,147
Capital outlay	723,104		106,902			106,902			830,006
<b>Total expenditures</b>	<b>1,091,562</b>	<b>7,039</b>	<b>139,422</b>		<b>2,297</b>	<b>148,758</b>			<b>1,240,320</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(1,024,417)</b>	<b>10,752</b>	<b>(136,164)</b>	<b>331</b>	<b>45,009</b>	<b>(80,072)</b>			<b>(1,104,489)</b>
<b>Other Financing Sources (Uses):</b>									
Proceeds from sale of capital assets			4,000			4,000			4,000
Transfers from other funds	700,606		142,200			142,200			842,806
<b>Net change in fund balance</b>	<b>(323,811)</b>	<b>10,752</b>	<b>10,036</b>	<b>331</b>	<b>45,009</b>	<b>66,128</b>			<b>(257,683)</b>
<b>Fund Balance:</b>									
Beginning of Year	900,215	187,361	270,441	385,398	(186,715)	656,485			1,556,700
<b>End of Year</b>	<b>\$ 576,404</b>	<b>\$ 198,113</b>	<b>\$ 280,477</b>	<b>\$ 385,729</b>	<b>\$ (141,706)</b>	<b>\$ 722,613</b>			<b>\$ 1,299,017</b>

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VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
General Capital Projects Funds  
Year Ended December 31, 2014

	General Government	Fire	Police	Public Works	Library	Conservation and Development	Total
<b>Revenues:</b>							
Public charges for services	\$ ---	\$ ---	\$ ---	7,110	\$ ---	\$ ---	7,110
<b>Capital grants and contributions:</b>							
Intergovernmental	---	---	---	34,113	---	---	34,113
Interest income	1,058	---	---	---	---	---	1,058
Other revenues	---	---	---	24,700	---	164	24,864
<b>Total revenues</b>	<u>1,058</u>	<u>---</u>	<u>---</u>	<u>65,923</u>	<u>---</u>	<u>164</u>	<u>67,145</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	1,135	---	---	---	---	---	1,135
Public safety	---	3,967	---	---	---	---	3,967
Public works	---	---	---	329,924	---	---	329,924
Culture, recreation and education	---	---	---	---	18,672	---	18,672
Conservation and development	---	---	---	---	---	14,760	14,760
Capital outlay	---	6,955	---	669,523	46,626	---	723,104
<b>Total expenditures</b>	<u>1,135</u>	<u>10,922</u>	<u>---</u>	<u>999,447</u>	<u>65,298</u>	<u>14,760</u>	<u>1,091,562</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<u>(77)</u>	<u>(10,922)</u>	<u>---</u>	<u>(933,524)</u>	<u>(65,298)</u>	<u>(14,596)</u>	<u>(1,024,417)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers from other general capital projects funds	---	10,972	---	---	12,435	20,000	43,407
Transfers to other general capital projects funds	(43,407)	---	---	---	---	---	(43,407)
Transfers from other funds	175,820	2,000	---	521,250	---	1,536	700,606
<b>Net change in fund balance</b>	<u>132,336</u>	<u>2,050</u>	<u>---</u>	<u>(412,274)</u>	<u>(52,863)</u>	<u>6,940</u>	<u>(323,811)</u>
<b>Fund Balance (Deficit):</b>							
Beginning of year	101,539	(878)	---	707,029	91,798	727	900,215
<b>End of year</b>	<u>233,875</u>	<u>1,172</u>	<u>---</u>	<u>294,755</u>	<u>38,935</u>	<u>7,667</u>	<u>576,404</u>

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VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Equipment Replacement Funds  
Year Ended December 31, 2014

	<u>General Government</u>	<u>Fire</u>	<u>Police</u>	<u>Inspection</u>	<u>Public Works</u>	<u>Library</u>	<u>Total</u>
<b>Revenues:</b>							
<b>Operating grants and contributions:</b>							
Intergovernmental	\$ ---	\$ ---	1,067	\$ ---	\$ ---	\$ ---	1,067
Other	---	1,450	---	---	---	---	1,450
Interest income	291	---	---	---	---	---	291
Other revenues	---	---	450	---	---	---	450
<b>Total revenues</b>	<u>291</u>	<u>1,450</u>	<u>1,517</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>3,258</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	1,866	---	---	---	---	---	1,866
Public safety	---	17,534	2,898	---	---	---	20,432
Public works	---	---	---	---	2,731	---	2,731
Culture, recreation and education	---	---	---	---	---	7,491	7,491
Capital outlay	63,387	---	43,515	---	---	---	106,902
<b>Total expenditures</b>	<u>65,253</u>	<u>17,534</u>	<u>46,413</u>	<u>---</u>	<u>2,731</u>	<u>7,491</u>	<u>139,422</u>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<u>(64,962)</u>	<u>(16,084)</u>	<u>(44,896)</u>	<u>---</u>	<u>(2,731)</u>	<u>(7,491)</u>	<u>(136,164)</u>
<b>Other Financing Sources:</b>							
Proceeds from sale of capital assets	---	---	4,000	---	---	---	4,000
Transfers from other funds	16,000	19,000	54,000	1,200	47,000	5,000	142,200
<b>Net change in fund balance</b>	<u>(48,962)</u>	<u>2,916</u>	<u>13,104</u>	<u>1,200</u>	<u>44,269</u>	<u>(2,491)</u>	<u>10,036</u>
<b>Fund Balance (Deficit):</b>							
Beginning of year	116,897	67,709	(20,075)	13,870	89,788	2,252	270,441
<b>End of year</b>	<u>\$ 67,935</u>	<u>\$ 70,625</u>	<u>\$ (6,971)</u>	<u>\$ 15,070</u>	<u>\$ 134,057</u>	<u>\$ (239)</u>	<u>\$ 280,477</u>

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VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Balance Sheet - Special Revenue Funds  
Year Ended December 31, 2014

	General Government	Fire	Police	Public Works	Health	Library	July 4th Activities	Senior Enrichment	Friends Of Park & Pool	Recreation Programs	Total
<b>Assets:</b>											
Cash and equivalents	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,303	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,303
Investments	262,333	---	---	---	---	11,538	---	---	---	---	273,871
Accounts receivable	293	---	---	---	---	---	---	---	---	---	293
Intrafund due (to) from	(173,304)	5,349	14,605	106,193	475	14,047	32,205	103	308	19	---
<b>Total assets</b>	<b>89,322</b>	<b>5,349</b>	<b>14,605</b>	<b>106,193</b>	<b>475</b>	<b>29,888</b>	<b>32,205</b>	<b>103</b>	<b>308</b>	<b>19</b>	<b>278,467</b>
<b>Liabilities:</b>											
Unearned revenues	12,772	---	---	---	---	---	---	---	---	---	12,772
Due to other funds	17,544	---	---	---	---	---	---	---	---	---	17,544
<b>Total liabilities</b>	<b>30,316</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>30,316</b>
<b>Deferred inflows of resources:</b>											
Deferred contributions	50,000	---	---	---	---	---	---	---	---	---	50,000
<b>Fund Balance:</b>											
Restricted	---	7,159	15,462	---	475	15,841	---	103	308	19	39,367
Committed	9,417	---	---	106,193	---	14,047	32,205	---	---	---	161,862
Unassigned	(411)	(1,810)	(857)	---	---	---	---	---	---	---	(3,078)
<b>Fund Balance</b>	<b>9,006</b>	<b>5,349</b>	<b>14,605</b>	<b>106,193</b>	<b>475</b>	<b>29,888</b>	<b>32,205</b>	<b>103</b>	<b>308</b>	<b>19</b>	<b>198,151</b>

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VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Special Revenue Funds  
Year Ended December 31, 2014

	General Government	Fire	Police	Public Works	Health	Library	July 4th Activities	Senior Enrichment	Friends Of Park & Pool	Recreation Programs	Total
<b>Revenues:</b>											
Public charges for services	\$ ---	\$ ---	\$ 5,192	\$ 94,953	\$ ---	\$ 4,077	\$ 3,712	\$ ---	\$ ---	\$ ---	\$ 107,934
Operating grants and contributions:											
Intergovernmental					34,219						41,636
Other		5,195	2,080			142					67,308
Interest income	199	6,032	3,502			3,549	52,725			1,500	264
Other revenues			1,600			65					1,600
<b>Total revenues</b>	<b>199</b>	<b>11,227</b>	<b>12,374</b>	<b>94,953</b>	<b>34,219</b>	<b>7,833</b>	<b>56,437</b>			<b>1,500</b>	<b>218,742</b>
<b>Expenditures:</b>											
<b>Current:</b>											
General government	407										407
Public safety		14,413	11,150								25,563
Public works				43,417							43,417
Health and Human Services					34,219						34,219
Culture, recreation and education						8,180	50,224			1,575	59,979
<b>Total expenditures</b>	<b>407</b>	<b>14,413</b>	<b>11,150</b>	<b>43,417</b>	<b>34,219</b>	<b>8,180</b>	<b>50,224</b>			<b>1,575</b>	<b>163,585</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(208)</b>	<b>(3,186)</b>	<b>1,224</b>	<b>51,536</b>	<b>---</b>	<b>(347)</b>	<b>6,213</b>	<b>---</b>	<b>---</b>	<b>(75)</b>	<b>55,157</b>
<b>Other Financing Sources (Uses):</b>											
Transfers from other funds						3,000	10,000				13,000
Transfers to other funds				(34,933)							(34,933)
<b>Net change in fund balance</b>	<b>(208)</b>	<b>(3,186)</b>	<b>1,224</b>	<b>16,603</b>	<b>---</b>	<b>2,653</b>	<b>16,213</b>	<b>---</b>	<b>---</b>	<b>(75)</b>	<b>33,224</b>
<b>Fund Balance:</b>											
Beginning of year	9,214	8,535	13,381	89,590	475	27,235	15,992	103	308	94	164,927
<b>End of year</b>	<b>\$ 9,006</b>	<b>\$ 5,349</b>	<b>\$ 14,605</b>	<b>\$ 106,193</b>	<b>\$ 475</b>	<b>\$ 29,888</b>	<b>\$ 32,205</b>	<b>\$ 103</b>	<b>\$ 308</b>	<b>\$ 19</b>	<b>\$ 198,151</b>

See independent auditors' report.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Schedule of General Obligation Long-Term Debt - Principal Payments  
December 31, 2014

<u>Year</u>	<u>2004</u> Trust Fund <u>Loan</u>	<u>2005</u> Trust Fund <u>Loan</u>	<u>2009</u> General Obligation <u>Notes</u>	<u>2012</u> General Obligation <u>Bonds</u>	<u>Totals</u>
2015	\$ 21,000	\$ 8,827	\$ 150,000	\$ 415,000	\$ 594,827
2016	24,000	---	150,000	415,000	589,000
2017	25,000	---	175,000	280,000	480,000
2018	28,000	---	200,000	265,000	493,000
2019	32,000	---	215,000	275,000	522,000
2020 - 2024	117,617	---	---	1,515,000	1,632,617
2025 - 2029	---	---	---	1,700,000	1,700,000
2030 - 2034	---	---	---	200,000	200,000
<b>Totals</b>	<b>\$ 247,617</b>	<b>\$ 8,827</b>	<b>\$ 890,000</b>	<b>\$ 5,065,000</b>	<b>\$ 6,211,444</b>

See independent auditors' report.

VILLAGE OF HALES CORNERS  
Milwaukee County, Wisconsin

Schedule of General Obligation Long-Term Debt - Interest Payments  
December 31, 2014

<u>Year</u>	<u>2004</u> Trust Fund <u>Loan</u>	<u>2005</u> Trust Fund <u>Loan</u>	<u>2009</u> General Obligation <u>Notes</u>	<u>2012</u> General Obligation <u>Bonds</u>	<u>Totals</u>
2015	\$ 13,000	\$ 353	\$ 27,060	\$ 92,755	\$ 133,168
2016	11,930	---	23,160	89,642	124,732
2017	10,637	---	18,960	86,583	116,180
2018	9,325	---	13,710	83,659	106,694
2019	7,855	---	7,310	80,347	95,512
2020 - 2024	12,662	---	---	325,160	337,822
2025 - 2029	---	---	---	142,400	142,400
2030 - 2034	---	---	---	6,000	6,000
<b>Totals</b>	<b>\$ 65,409</b>	<b>\$ 353</b>	<b>\$ 90,200</b>	<b>\$ 906,546</b>	<b>\$ 1,062,508</b>

See independent auditor's report.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**2013 Statement of Taxes**  
**Year Ended December 31, 2014**

<b>State Taxes</b>		\$ 107,709
<b>County Taxes</b>		3,247,370
<b>General Village Taxes</b>		5,044,871
<b>School District Taxes:</b>		
School District of Whitnall	\$ 6,413,082	
Milwaukee Area Vocational District	<u>1,346,515</u>	
<b>Total school district taxes</b>		7,759,597
<b>TID #3 Tax Increment</b>		46,689
<b>Metropolitan Sewerage District Taxes</b>		1,077,877
<b>Special Assessments and Special Charges:</b>		
Water mains	6,228	
Sewer mains	7,532	
Street improvements	1,669	
Storm water utility	30,884	
Refuse collection	449,054	
Other sewer charges	369,352	
Weeds, tree planting, removal	400	
Fire calls	300	
Delinquent utility charges	34,442	
Tax bill corrections	<u>(3,117)</u>	
<b>Total special assessments and special charges</b>		<u>896,744</u>
<b>Total tax roll</b>		<u><u>\$ 18,180,857</u></u>

**2014 Treasurer's Settlement**

Cash collections and credits applied		\$ 17,988,365
Delinquent real estate		182,440
Delinquent special assessments		720
Delinquent special charges		6,634
Delinquent utility charges		<u>2,698</u>
<b>Total collections and credits</b>		<u><u>\$ 18,180,857</u></u>

See independent auditors' report.

**VILLAGE OF HALES CORNERS**  
**Milwaukee County, Wisconsin**

**Schedule of Miscellaneous Statistics**  
**December 31, 2014**

<b>Year of Incorporation</b>	1952	<b>Form of Government</b>	
		Board of Trustees	7
<b>Population</b>	7,678	<b>Permanent Village Employees</b>	
<b>Area</b>		Full-time	37
Square miles	3	Part-time (FTE)	25
Acres - Land	1,910	<b>Fire Protection</b>	
Acres - Water	10	Number of stations	1
<b>Altitude (feet above sea level)</b>	792	Total staff	46
<b>Miles of Streets</b>		<b>Police Protection</b>	
Local streets (paved)	34	Number of stations	1
<b>Number of Street Lights</b>	555	Sworn staff	16
<b>Water Service Provided by</b>		Non-sworn staff	10
<b>City of Milwaukee</b>		Total staff	26
Average number of customer accounts	1,132	<b>Parks &amp; Recreation</b>	
Miles of water mains	22	Acres of developed/undeveloped parks	300
<b>Miles of Sewers</b>		Number of parks	4
Storm	5	Number of swimming pools	1
Sanitary	35	<b>Education - Whitnall School District</b>	
<b>Building Permits</b>		Number of elementary schools	2
Permits issued	110	Number of middle schools	1
Estimated cost of construction	\$ 679,519	Number of high schools	1
		Number of students registered	2,446
		<b>Public Library</b>	
		Circulation	131,815

See independent auditors' report.